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ENTREPRENEURSHIP AND INSTITUTIONS IN
INNOVATION SYSTEMS RESEARCH: Evidence
from the Nigerian Film Industry

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Entrepreneurship and Institutions in Innovation systems research: Evidence
from the Nigerian film industry

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ABSTRACT

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ENTREPRENEURSHIP AND INSTITUTIONS IN INNOVATION SYSTEMS RESEARCH: *Evidence from the Nigerian Film Industry*

Keywords: Entrepreneurship, Innovation Systems, Institutions.

As the innovation systems approach becomes increasingly transferred from developed to developing countries as a framework for achieving increased productivity, the notion of deficient institutions becomes more important. Prior research on innovation systems has adopted a broad treatment of institutions that has resulted in an omission of the impact that deficient institutions have on implementing innovation.

Towards providing a treatment of institutions that is more specific and by extension, accounts for the impact of deficient institutions within developing country innovation systems, this thesis on the account of both the person-centric characteristic of the entrepreneur and the entrepreneur's ability to deal with uncertainty focused on answering the research question: How do entrepreneurs deal with deficient institutions in developing country innovation systems in order to introduce innovation?

By considering the context of the Nigerian film industry innovation system, this thesis showed that entrepreneurs dealt with the deficient institutions by substituting them with informal institutions during their interactions with Nigerian actors, and with formal institutions that looked to be external to the Nigerian environment when interacting with international actors. In addition to this, the decision to use these institutions was seen to have been influenced by both the situations that the entrepreneurs faced and their personal experiences.

By showing this, the thesis contributed to the literature on innovation systems by providing a more nuanced understanding of institutions in comparison with what previously existed. Another contribution was the introduction of agency (through analytical focus on the entrepreneur) within innovation systems research.

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List of Abbreviations

IS	Innovation System
NIS	National Innovation System
RIS	Regional Innovation System
SIS	Sectoral Innovation System
TIS	Technology Innovation System
IKE	Innovation, Knowledge and Economic Dynamics Group
R&D	Research and Development
USA	United States of America
OECD	Organization for Economic Co-operation and Development
CGI	Computer Generated Imagery
GDP	Gross Domestic Product
NEXIM	Nigerian Export Import Bank
Project ACT	
DVD	Digital Video Decoder
NTA	Nigeria Television Authority
UK	United Kingdom
Adobe CS5	Adobe Creative Suite 5
MBA	Master of Business Administration

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CHAPTER ONE

1. INTRODUCTION AND BACKGROUND OF THESIS

1.1. Introduction

This chapter aims to give a general overview of the thesis. It provides the background to the thesis, the questions it sought to answer, how these questions were answered, and finally how the findings from answering the questions contribute to the already existing literature on innovation systems.

Towards achieving this, the chapter is structured into five sections. Section 1.2 provides the background of the research. This includes the motivation behind the researcher undertaking the research. Section 1.3 identifies the gaps in the existing literature. These gaps lead to the generation of the main research question (and sub-research questions) which this thesis intends to focus on. Section 1.4 presents a brief overview of the methodology that was used to answer the research questions. Section 1.5 presents the findings that were generated from answering the research question. It also presents some of the contributions of the thesis to the existing literature on innovation systems. Section 1.6 presents the structure that the thesis takes towards dealing with the research objectives. It does this by identifying what is focused upon across each chapter in the thesis.

1.2. Research Background

The innovation systems approach has in the past three decades increased its importance in both developed (Nelson, 1993) and developing (Gu, 1999, Mytelka, 2000) contexts as a means by which countries, regions and sectors seek to innovate towards generating and sustaining competitive advantage

(Fagerberg and Srholec, 2008, OECD, 1997). Its application as an approach for explaining the process of economic development has been particularly notable in developing country contexts where it has been used to explain the economic catch-up process (Kim, 2000, Wong, 1999) and also to chart a path through which other countries can catch-up in technology and development (Dahlman and Frischtak, 1993, Intarakumnerd et al., 2002).

The argument of the innovation systems approach occurs on the premise of innovation being an outcome of the interaction that exists between actors (Fagerberg and Srholec, 2008, Edquist, 2010, Soete et al., 2010). These actors may comprise of large firms, universities, public research organisations, standard organisations, etc. The interactions existing between these actors is argued to be possible as a result of the presence of institutions which not only pattern the behaviours of actors, but also guides their interactions (Borrás and Edquist, 2014, Wieczorek et al., 2013). It is thus implied that the effectiveness of the innovation systems approach (towards attaining the goals of increased productivity and competitiveness) is influenced by the nature of institutions that are present within a particular context.

Institutions also reduce the uncertainty attached to innovation (Barbosa and Faria, 2011, Edquist and Johnson, 1997a). This uncertainty reduction function is however argued to be associated more with the process of innovation in developed country contexts than developing country contexts (Szirmai et al., 2011). This argument is based on the premise that, unlike in

developed countries where both formal institutions and informal institutions are not only developed (Nugent and Lin, 1995, Szirmai et al., 2011), but are seen to complement each other towards ensuring the implementation of innovation (Helmke and Levitsky, 2004), in developing countries, the less well developed nature of formal institutions increases the uncertainty attached to actor behaviour and consequently, innovation (Aubert, 2005, Michailova et al., 2013, Szirmai et al., 2011). Evidence supporting this argument is seen in the study by Michailova et al. (2013) where it is argued that the regulatory quality, rule of law, and corruption that is present in Russia have a strong direct and negative impact on innovation. With respect to these formal institutions, the studies by Aubert (2005), Rodrick (2008), and Lundvall et al. (2011) all pointed to the financial and labour laws present in developing countries being often heavily regulated, the enforcement of both intellectual property and contract laws (Fafchamps, 2004) being often very difficult, and the company registration regulation being mostly cumbersome (Djankov et al., 2002). On the other hand, with respect to informal institutions, the study by Collier (2002) highlighted the influence that corruption had on increasing transaction costs associated with innovation in developing countries (Collier, 2002).

As a result of this, an important point to consider when performing an analysis of institutions within innovation systems research relates to the issue of whether the context of the innovation system being considered is one that associates with institutional deficiencies.

1.3. Research Gaps and Questions

Institutions are within the literature on innovation systems defined as “*sets of common habits, routines, established practices, rules or laws that regulate the relations and interactions between individuals and groups towards ensuring innovation*” (Borrás and Edquist, 2014, Edquist and Johnson, 1997a). The use of this definition by researchers in innovation systems is based on the adoption of North’s (1990) conceptualisation of institutions.

A review of the treatment of institutions within the innovation systems literature points to a focus on structure (seen through an emphasis on organisational actors) rather than on individual agency (Autio et al., 2014, Gustafsson and Autio, 2011). Such focus has in-turn led to more emphasis being placed on institutions that operate at the macro-level to guide the interactions existing among organisational actors towards ensuring innovation (Watkins et al., 2015). This focus on the macro-level occurs because of the national and regional-level focus that was seen across a lot of the earlier studies on innovation systems (Carlsson, 2006, Hekkert and Negro, 2009).

While such approach has achieved a lot in providing a starting point to the understanding of innovation systems, it is not without its shortcomings. The first one is that it provides a treatment of institutions within innovation systems research that is at best basic as there are no efforts to account for the micro-level institutional specificities (Acemoglu and Robinson, 2008). This in-turn has led to the provision of a very insufficient understanding of the micro-foundations of the innovation process (Autio et al., 2014). As a result

of this absence of an understanding of micro-foundations, such treatment of institutions also makes it difficult for existing research to provide a well-detailed and in-depth description of what is happening within a particular innovation system (Bergek et al., 2015, Hekkert et al., 2007).

Thus, towards enabling a treatment of institutions that provides an understanding of the micro-foundations of the innovation process (through accounting for the institutional specificities such as institutional deficiencies that are present in developing countries) and that also allows for the provision of a well-detailed and much deeper understanding of what is happening within a particular innovation system, this thesis argues for a treatment of institutions within innovation systems research that occurs at a more specific (micro) level.

Such micro-level treatment of institutions can be fully appreciated in contexts (such as developing countries) where institutional deficiencies exist. In addition to this, pursuant to the arguments proposed in the studies by Hung and Whittington (2011) and Autio et al. (2014), such treatment of institutions at the micro-level can only occur when an agent-centred approach on actors is adopted. It is however argued that an emphasis on agency rather than on structure can only be possible when the actor being focused upon is the entrepreneur (Autio et al., 2014, Hung and Whittington, 2011).

In addition to this, such treatment can also occur when the focus of interaction between the entrepreneurs and other actors is enabled towards

the creation of a specific innovative product rather than on a broad notion of innovation. Emphasis on the generation of a focused innovative product can exist when either a sectoral innovation system (SIS) (where the focus is on the creation of a specific product within a particular sector) or a technological innovation system (TIS) (where the focus is on the creation of a specific technology within a particular technology field) is considered (Markard et al., 2015, Tigabu et al., 2015, Watkins et al., 2015). This emphasis on the specificity of innovation within the SIS or TIS contrasts the national innovation system (NIS) and regional innovation system (RIS) where focus is on the creation of any type of innovation in a spatial area.

Thus, a treatment of institutions at the micro-level can be enabled if the entrepreneur is the actor being focused upon, and if the innovation system type being considered is either a TIS or SIS. One way to provide such treatment can occur through the exploration of how entrepreneurs deal with deficient institutions that exist when innovating in developing country innovation systems. As a result of this, the main research question associated with this thesis is: *How do entrepreneurs deal with deficient institutions in developing country innovation systems in order to introduce innovation?*

Towards answering this main research question, arguments from the literature on institutions and entrepreneurship (in relation to how entrepreneurs deal with institutional deficiencies) allow for the generation of

sub-research questions, which when brought together, enable the answering of the main research question. These questions are:

- *What institutions do the entrepreneurs use to guide their interactions when innovating?*
- *How do entrepreneurs reach the decisions to make use of certain institutions to guide their interactions when innovating?*

1.4. Research Design

A premise of the entrepreneurs having different perspectives regarding the nature of institutions present in the innovation system being considered led to the selection of an interpretivist philosophical stance for this thesis (Saunders et al., 2009). These different perspectives it is believed, were responsible for the institutions the entrepreneurs used when innovating.

Towards identifying the different perspectives, the thesis adopted the use of a case study strategy with the cases considered being the entrepreneurs who innovated within the innovation system considered. The adoption of a case study strategy is based on the premise that the strategy is most suitable when the focus is on generating knowledge about in a new topical area within a specific context.

For this thesis, the context selected was the Nigerian film industry. The primary reason for selecting the Nigerian film industry context was because it fit the category of a context where institutions were argued to be deficient (Arewa, 2012, Haynes, 2007, Haynes, 2014). Another reason was tied to the ease of data collection for the researcher. Finally, the selection of the film

industry by the researcher was tied to the argument that in contrast with other industries in Nigeria, the film industry was one of the few industries that had participants who did not have any issues when speaking about innovation. As a result, the researcher believed that his chances of gathering sufficient data concerning innovation and institutional issues were stronger in the Nigerian film industry as when compared to other industries.

The data used for this thesis were gathered through a combination of semi-structured interviews and secondary data. For the primary data, forty interviews were carried out between July and December 2013 in Lagos and Abuja, Nigeria. Furthermore, towards improving the quality of the research, secondary data (in the form of newspaper articles and unpublished reports on the Nigerian film industry) were used by the researcher to fill some informational gaps and improve the researcher's understanding of certain decisions that the entrepreneurs made towards ensuring innovation.

Finally, the data collected was analysed through a combination of thematic analysis and cross-case synthesis.

1.5. Research Findings and Contributions

The findings from the thesis revealed that, for the first research question, the entrepreneurs in the cases dealt with deficient institutions present in the Nigerian film industry innovation system by substituting them with informal institutions when interacting with Nigerian actors and with formal institutions that were external to the Nigerian environment when interacting with international actors. Furthermore, for the second research question, it was

seen that the decision to make use of these particular institutions was influenced by the situations which manifested as a result of the interactions between the institutional specificities that exist in the immediate environment of the entrepreneur and the institutional specificities that exist in the immediate environment of the actors. Such situations led to the creation of options of institutions that were available for the entrepreneurs to use when innovating. However, the decision to select a particular institution out of the options available, was seen to be influenced by the entrepreneurs' personal experiences.

By providing in detail how the process by which the entrepreneurs were able to reach the decisions to use a particular institution when innovating, this thesis was able to contribute to scholarship in the area of innovation systems research, a more nuanced and subtle understanding of institutions in comparison to what commonly exists in the innovation systems literature. In addition to this, by focusing the analysis around the entrepreneurial actor, this thesis was able to contribute to the literature by providing a focus on agency which has received very little attention within innovation systems research.

These contributions, it is argued allow for the provision of an in-depth analysis of developing country innovation systems. This is important as it allows policy-makers and researchers to accurately identify points of weakness in their innovation systems and come up with recommendations on how to mitigate the effect of the weakness or make improvement towards

improving the effectiveness of their particular innovation system (especially developing country innovation systems).

1.6. Structure of Thesis

The remaining chapters of this thesis are structured as follows.

The second chapter identified and justified the research gap which this thesis intended to focus on. Towards achieving this, it presented a review of the existing literature on innovation systems and from there presented a critical review of the literature in relation to institutions within innovation systems research. Consequently, a review of the literature in relation to institutions and entrepreneurship was carried out.

The third chapter outlined the methodology used in the research. It achieved this by identifying and justifying the research philosophy, research logic, research approach and research strategy used for this thesis. It then outlined the importance of the case study, the data collection method, the data collection instrument, and finally the data analysis method that were used to answer the research questions.

The fourth chapter provided a critical and analytical review into the Nigerian film industry innovation system. Towards achieving this, it provided a critical review of the concept of innovation in the film industry. It then focused on introducing the Nigerian film industry. From this introduction and the review undertaken regarding the concept of innovation in the film industry, the chapter was able to provide a description of the innovation concept within the Nigerian film industry. The outcome of this description

allowed the chapter to provide a description of the structure of the Nigerian film industry innovation system.

The fifth chapter provided the within-case analysis of each of the cases considered by presenting a case by case narrative of the innovative process which the entrepreneurs were involved in towards implementing their innovations.

The sixth chapter provided a cross-case comparison of the groupings that were generated from the previous chapter. The outcome of this comparison led to the generation of themes which were a reflection of the findings of the thesis. The chapter also discussed these findings.

The seventh chapter concluded the thesis by stating what the findings of thesis were, their contributions to the existing body of literature on innovation systems, their implications for policy makers, the limitations that were attached to and generated by the thesis. Moreover, it provided further research areas which opened up as a result of the findings.

CHAPTER TWO

2. LITERATURE REVIEW

2.1. Introduction

This chapter aims to provide a critical review of the available literature on innovation systems. The performance of this review enables the identification of a research area within innovation systems research which while important, is argued to have not received as much attention as it ought to. This research area it is proposed, represents the point of departure upon which this chapter builds and introduces critical arguments with which it can potentially contribute to the literature on innovation systems.

Towards achieving this, the chapter is structured into five sections. Section 2.2 reviews the theoretical origins of the innovation systems approach. Section 2.3 focuses on the review of the literature on innovation systems (IS). It starts this by providing a description of both the elements that exist within an innovation system and the different innovation system types that exist. This review it is argued, provides a starting point for the critical review which the next sub-section focuses on. Section 2.3.3 focuses on providing a critical review of the literature in relation to the treatment of institutions within innovation systems research. Section 2.4 focuses on the review of the available literature on institutions and entrepreneurship. Section 2.5 focuses on the identification of the research gaps and the generation of the main research question (and sub-research questions) which this thesis concerns itself with. Finally, section 2.6 concludes this chapter.

2.2. Theoretical Origins of IS approach

The concept of innovation systems conveys the idea that innovations do not originate as isolated and discrete phenomena but rather through the interactions among a number of actors (Freeman, 1987, Lundvall, 1992, Lundvall, 2010, Nelson, 1993). A review of the literature on innovation systems identifies two theoretical traditions that influenced the development of the IS approach (Edquist, 1997): the ‘interactive learning theory’ and the ‘evolutionary theoretical approach’.

2.2.1. *Interactive learning theory*

The interactive learning theory was created and used by researchers from Aalborg University, Denmark (Edquist, 1997). The focus under this theoretical tradition is on the depiction of the processes of learning and user-producer interaction as being synonymous with innovation (Edquist, 1997). As a result, the tradition propagated the thinking that the only way innovation could happen was through continuous learning and interactions among actors (Lundvall, 1992, Lundvall, 2007). Thus, researchers who adopted this tradition saw the IS concept with its emphasis on strong interaction as the only way innovation could be approached (Edquist, 1997).

Despite its earlier acceptance, the adoption of the interactive learning theory as the only tradition used to study innovation systems began to phase out when it was realised that a more robust theoretical tradition existed which not only accounted for the interactive learning characteristics of innovation, but also accounted for its historical and path dependent characteristics

(Edquist, 1997). This theoretical tradition is the 'evolutionary theoretical approach'.

2.2.2. Evolutionary theoretical approach

The second theoretical tradition upon which the IS approach was created is an extension of the 'evolutionary theory of technical change' (Edquist, 1997, McKelvey, 1997, Saviotti, 1997). The evolutionary theory had already been in use towards understanding the process of technical change occurring in private organisations (Nelson and Winter, 1982, Nelson, 1995, Nelson and Nelson, 2002, Saviotti, 1997). The application of this theory to technical change was borne out from its use in the biology discipline (Nelson and Winter, 1982, Nelson and Nelson, 2002, Nelson and Winter, 2009, Saviotti, 1997). According to the study by Nelson and Winter (1982), the evolutionary theory identified three stages which are seen to be uniform across both the technical change and biology literature: the retention and transmission of information, the generation of novelty and the selection among alternatives (Nelson, 1995).

The innovation systems approach unlike the technical change discipline focuses on the interactions between actors towards ensuring innovation (McKelvey, 1997). As a result, rather than focusing on the individuality of the innovation process which the technical change literature espouses, innovation under the umbrella of the systemic approach is argued to exist as a collective activity (McKelvey, 1997). Towards ensuring the

retention and transmission of information among actors, the innovation systems approach with its focus on collectiveness advocates for the use of institutions (McKelvey, 1997). Institutions by their ability to guide the behaviour of actors and also the interactions among actors enable the retention and transmission of information within innovation systems (McKelvey, 1997, Saviotti, 1997). This use of institutions presumes that the interactions and behaviours by actors in a society will exist based on identifiable patterns and norms of social interaction which the actors are familiar with (Hodgson, 1993). Towards ensuring the generation of novelties, the IS approach (with its focus on interaction and institutions guiding the interactions between actors) argues that the search for novelty among actors occurs as a response to the anticipated changes within an environment (McKelvey, 1997, Saviotti, 1997). Finally, regarding the selection among alternatives, as the innovation systems approach focuses on the environment as a whole rather than just a particular single organisation, various actors within a system may be seen to have different focuses regarding what technology should be taken forward (McKelvey, 1997, Saviotti, 1997). In most cases, while private organisations within innovation systems may be focused on the generation of profits and as such be more liable to adopt market forces of competition as their selection mechanism, other actors within the innovation system may have a different focus on innovation (McKelvey, 1997). In such instances, the selection mechanisms utilised by innovation systems may be unique to the particular innovation system being focused upon (McKelvey, 1997).

This emphasis on institutions influencing the transmission of information, anticipated changes within a particular environment being responsible for the generation of novelty and the selection mechanisms utilised being dependent on the particular innovation system focused upon points to the presence of the path-dependent nature of the innovation system approach.

2.3. Innovation Systems (IS)

The central idea behind the innovation system approach is that what currently exists as innovation occurs as a result of the interactions between actors (Soete et al., 2010). These interactions can occur towards ensuring learning, the creation of knowledge, or the diffusion of the knowledge (Asheim and Isaksen, 1997). The ingredients existing within the IS approach constitute of: the system and innovation. A system is defined as anything not in chaos (Lundvall, 1992). The emphasis on 'system' within the 'IS' approach is described as focusing on the notion that interaction and interrelationships between actors are important towards ensuring the generation of innovation (Lundvall, 2007). This description hinged on the principle that towards ensuring innovation, the whole was greater than the sum of its parts (Lundvall, 2007). On the other hand, Innovation according to Schumpeter (1934), is the *"process of carrying out new combinations to introduce to a market a new product, new process, new source of supply, new organisational form, or new marketing method"*. Schumpeter's (1934) definition was however argued to focus on the first time introduction of a new product or process into the world (Viotti, 2002). While this definition of

innovation has been applied in developed countries, evidence from studies on innovation in developing countries (Ernst, 2002, Lall and Pietrobelli, 2003, Mytelka, 2000, Pietrobelli and Rabelotti, 2011) point to an accepted definition of innovation that describes it as the first time a new product or process (or significantly improved product or process) is implemented within an organisation or into a particular market. This is irrespective of whether such product or process has been previously implemented by another organisation or market. Such definition is argued to be broader and seen to cater better to different contexts (Pietrobelli and Rabelotti, 2011).

The innovation systems concept emerged originally in the 1980s as a result of the interactions between Chris Freeman and researchers from the IKE¹ group at Aalborg University (Freeman, 1995, Lundvall, 2007). However, it did not receive much attention until the introduction of the studies by Freeman (1987), Lundvall (1992), Nelson (1993) and subsequent studies by Carlsson and Stankiewicz (1991), Breschi and Malerba (1997), Asheim and Isaksen (1997), and Edquist (1997) amongst others. While most of these studies focused on a description of the innovation systems concept, they were however all seen to have adopted different approaches towards providing such description (Soete et al., 2010).

Freeman's (1987) study which focused on explaining the industrial catch-up process occurring in Japan, conceptualised the innovation system approach to explain the congruence in Japanese society between various

¹ Innovation, Knowledge and Economic Dynamics group

kinds of institutional networks in both “*private and public sectors whose activities and interactions initiate, import, modify and diffuse new technologies*” (Freeman, 1987, Soete et al., 2010). His conceptualisation revolved around four elements which he believed constituted the innovation system approach (Freeman, 1987): the role of policy, the role of corporate R&D as a means for ensuring catch-up², the role of human capital and organisation of work in firms and industries, and the conglomerate structure of the industry (Freeman, 1987, Soete et al., 2010).

The conceptualisation by Lundvall (1992) adopted a more theoretical approach where focus was on describing how innovation happened within a geographical (national) boundary. Owing to his IKEA roots, his narrow conceptualisation of innovation systems was based on the argument that innovation was an activity which could exist either through actors interacting towards learning or performing R&D (Lundvall, 1992, Lundvall et al., 2002, Lundvall, 1985, Soete et al., 2010). Furthermore, the performance of innovation by the actors was only possible due to the presence of institutions which guided their behaviours. Conceptualisation, innovation systems were defined as “*the elements and relationships which interacted in the production, diffusion and use of economically useful knowledge*” (Lundvall, 1992: 12).

The study by Nelson (1993) was a more empirical attempt to provide a conceptualisation of the innovation systems concept. This was done by

² This emphasis on catch-up pointed to the focus of innovation for Japan at the particular period.

providing an individual analysis and description of the structure of innovation systems across a range of countries (Edquist, 1997, Nelson and Rosenberg, 1993, Soete et al., 2010). By placing an emphasis on the actors that existed within such innovation systems, the roles such actors performed, their collaborative patterns and the institutions (national policies and intellectual property law), Nelson's (1993) study was seen to have adopted an ex-post approach where evidence from various innovation systems were used to describe the innovation systems concept (Soete et al., 2010).

While these three studies used different approaches to describe the innovation systems concept, they were all seen to share a common sentiment regarding the importance of institutions in guiding the behaviour of actors; the need for interactions among actors towards ensuring production, diffusion and use of innovation; and (although implicit but equally important) the path-dependent or historical nature of innovation (Soete et al., 2010). As a result, the innovation systems concept is depicted as an approach that focuses on the interaction among actors (private organisations, universities, government, etc.) towards bringing about the creation, use, and diffusion of innovation within an institutional boundary (Edquist, 1997, Galli and Teubal, 1997, Lundvall, 1992). It comprises of: the actors who perform certain specific functions/activities (Galli and Teubal, 1997, OECD, 1997), institutions which guide the behaviours and the interactions among actors (Edquist and Johnson, 1997a, Hollingsworth, 2000, Rohracher et al., 2009) and linkages that determine the nature of knowledge/resource flow among these actors (Soete et al., 2010, Galli and Teubal, 1997, OECD, 2005). All

these can be argued to make up the elements of an innovation system (Edquist, 2010, Soete et al., 2010). The figure 2.1 below presents a diagrammatic representation identifying all the elements that are present within the innovation systems concept.

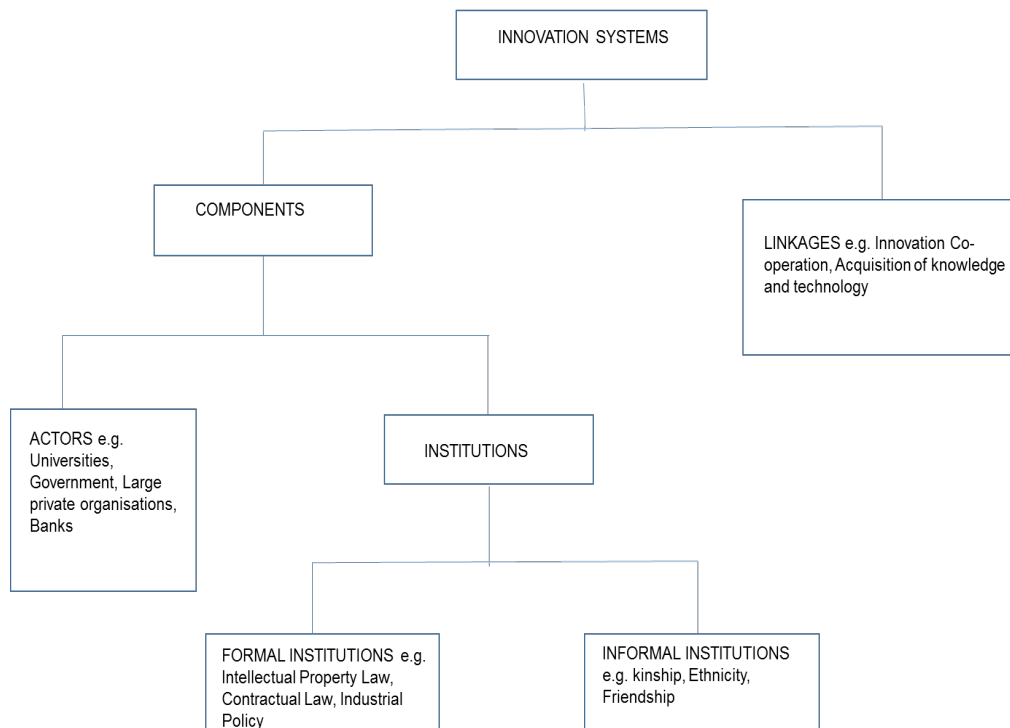


Figure 2.1: Representation of elements within an innovation system

2.3.1. Elements of an IS

As was earlier identified, the elements present within an innovation system consists of institutions, actors and linkages.

▪ *Institutions*

Institutions are defined as rules and procedures which structure human interaction by constraining or enabling the behaviour of actors (Helmke and Levitsky, 2004, Hodgson, 2006). They exist either as formal institutions or

informal institutions (Edquist and Johnson, 1997a, North, 1990, North, 1994). Formal institutions as defined by Helmke and Levitsky (2004: 727) are *“rules and procedures that are created, communicated and enforced through channels widely accepted as official”*. They consist of political rules (industrial policy, trade policy, science and technology policy) (Intarakumnerd et al., 2002), economic rules (intellectual property laws) (Barbosa and Faria, 2011, North, 1990) and contract laws (North, 1990). These laws not only refer to the objective laws that are created by the state. Also included is the enforcement of these laws (North, 1990, North, 1994). Informal institutions on the other hand are defined by Helmke and Levitsky (2004: 727) as *“socially shared rules, usually unwritten that are created, communicated and enforced outside of officially sanctioned channels”*. This particular definition is used because it captures the varying conceptualisations of what informal institutions are referred to across studies that focus on institutions (Helmke and Levitsky, 2004). These conceptualisations include informal institutions consisting of kinship (Smith, 2001, Wang, 2000), patterns of patron-client relations (Bratton, 2007, Smith, 2001), corruption (Darden, 2002) and culture (North, 1990) amongst others.

Apart from their most notable function of bringing about stability by reducing the uncertainty associated with the behaviours of actors (Edquist and Johnson, 1997b, North, 1990), institutions also manage both cooperation and conflicts between actors (North, 1990, Lundvall, 1992) and aid in the provision of incentives within an environment (North, 1990, Lundvall, 1992).

With an emphasis on the interactions between actors towards ensuring innovation (Altenburg, 2008, Gronning, 2008, Lundvall, 1992, Soete et al., 2010), the application of institutions within innovation systems research is argued to focus on how they guide the possible interactions that exist between actors towards ensuring innovation. To that extent, institutions are within innovation systems defined as *“sets of common habits, routines, established practices, rules or laws that regulate the relations and interactions between individuals and groups”* (towards ensuring innovation) (Borrás and Edquist, 2014, Edquist and Johnson, 1997b).

- *Actors*

The other component within the IS approach is ‘actors’ (Carlsson and Stankiewicz, 1995, Edquist, 2005, Soete et al., 2010). Actors are defined as agents within the IS approach who perform either a particular or a range of functions/activities towards ensuring innovation (Edquist, 2005, Soete et al., 2010). They are viewed as the tangible and legally identifiable part of the innovation system (Soete et al., 2010). Examples of the common actors identified across the literature include: private organisations, universities, public research institutes, government and standard organisations among others (Metcalf and Ramlogan, 2008, Pietrobelli and Rabelotti, 2011).

- **Private organisations**

Private organisations are argued within the IS literature to be the centre of innovation (Adeoti et al., 2008b, McKelvey, 1997, Nelson, 1993). Adopting the classification used by Spulber (2008), private organisations within the context of this thesis are proposed to constitute large firms and enterprises

(Spulber, 2008, Naudé, 2013). Large firms across the innovation systems literature are presented as being responsible for innovation (Adeoti et al., 2008a). They are argued to perform the functions of developing competencies in product design and production, in overall management and assessment of consumer needs and in linking the upstream and downstream suppliers and distributors (Alcorta & Peres, 1998). They also search, develop R&D routines and further engage in the learning process of innovation (Alcorta and Peres, 1998). The roles performed by large firms within innovation systems can be argued to be flexible. This flexibility can exist as a result of changes over time due to the evolution of the innovation system (Mowery, 1998). It can also exist as a result of changes existing across different innovation systems.

Highlighting the influence of changes over time on the roles performed by large firms is the study by Mowery (1998) which focused on the United States innovation system. It was within this study seen that the outcome of the Second World War led to large firms in the United States playing a key role in the commercialisation of important inventions that were created from research done by government research organisations and universities (Mowery, 1998). However, with the emergence of more intense competition from foreign organisations, large firms in the United States began to shift their focus to the performance of R&D as a means of creating and sustaining competitive advantage (Mowery, 1998).

- **Government**

Governments perform the functions of policy making, funding high-risk and early-stage innovation and changing institutions within ISs (Norberg-Bohm, 2002). While these roles are expected to be generic irrespective of the countries or contexts being considered, arguments and evidence from different countries have shown that the roles performed by governments towards encouraging innovation differ across countries (Mani, 2001). Roles performed by the government towards ensuring innovation can vary according to the governance structure being practised by innovation systems (Liu and White, 2001) or according to the level of development of the innovation system in question (Mani, 2001). Focusing on the distinction between levels of development, the study by Mahmood and Rufin (2005) argued that government plays a more active role in supporting innovation in countries far from the technological frontier than they do in countries close to the technological frontier (Mahmood and Rufin, 2005).

Highlighting this influence levels of development have on the roles performed by government are the studies by Kim (1993) and Giesecke (2000) that focused on the Korean and American NIS respectively. On the basis of an innovation-based strategy that emphasised imitation, technological catch-up and reverse engineering towards improving productivity, the Korean government was seen to have adopted an interventionist role through the creation of policies that supported large firms (*chaebols*) adjudged to be potentially productive, policies that provided subsidies and policies that promoted effective technology transfer to these

large firms (Kim, 1993). This role was however contrasted in the study by Giesecke (2000) where the government of the USA was seen to have provided less direct federal support on the development of the biotechnology industry (Giesecke, 2000).

- *Linkages*

Linkages act as conduits for the flow of information, knowledge, resources and technology for a private organisation's innovation activity (OECD, 2005). Using the categorization adopted by the OECD (2005), linkages can constitute of: acquisition of knowledge and technology, and innovation co-operation.

- **Acquisition of technology and knowledge**

The acquisition of technology and knowledge involves the purchase of both external knowledge and technology without active co-operation with the source of the technology (OECD, 2005). This is mostly seen through technology transfer mechanisms such as the importation of foreign capital goods, foreign licensing or the hiring of consultants (Lall & Pietrobelli, 2003; Oyelaran-Oyeyinka, 2001). Under this type of linkage, the knowledge acquired is seen as being embodied in the machinery, equipment or consultant that incorporates the knowledge (OECD, 2005).

While different countries have been depicted to actively utilise the acquisition of technology as a major way of gaining knowledge towards implementing innovation, its importance as a linkage type is more stated in countries that do not possess the requisite technological capability to

develop their own innovations from scratch (Kim, 1993, Viotti, 2002). Due to the dearth in technological capabilities that enable the continuous improvement of existing products and the introduction of new products (Lall and Pietrobelli, 2003, Viotti, 2002), countries such as Korea (in the 20th century) (Kim, 1993, Viotti, 2002), Nigeria (Oyelaran-Oyeyinka, 2001), Mexico (Cimoli, 2013) and Thailand (Chaminade et al., 2008) are seen to be very dependent on technology transfer mechanisms such as the importation of foreign capital goods, foreign direct investment and foreign licensing to ensure the introduction of new products and subsequently the improvement of technological capability (Viotti, 2002). An example highlighting the impact of acquisition of knowledge and technology in these countries is seen in the study by Oyelaran-Oyeyinka (2001). The study which focused on innovation within the Nnewi electronics cluster in Nigeria³ provided evidence relating to the argument that most operators of private organisations in the cluster depended on the procurement of turnkey plants and small electronic equipment towards ensuring the introduction of a new product that was depicted as being produced in Nigeria (Oyelaran-Oyeyinka, 2001).

- **Innovation co-operation**

Innovation co-operation involves the active participation of private organisations in joint innovation projects with other organisations (OECD, 2005). It exists in most cases to allow access of knowledge and technology to private organisations that they would not be able to access on their own

(OECD, 2005). Co-operation between private organisations and other actors within ISs can exist either vertically or horizontally (OECD, 2005). For vertical co-operation, interactions are argued to happen along stages of value chains (OECD, 2005). They typically exist as interactions between private organisations or customers and suppliers towards the joint development of new products or processes (OECD, 2005). A key example of an interaction under this type of co-operation is user-producer interaction (Lundvall, 1992; Lundvall, 1985; OECD, 2005). These users can either be represented as private organisations (intermediary users) or consumers (final users). The producers on the other hand, can either be represented as raw material suppliers (primary producers) or private organisations (intermediary producers) (Laursen, 2011, Lundvall, 1992, Lundvall, 1985). Horizontal co-operation on the other hand is argued to involve interactions between actors within a particular stage of the value chain (OECD, 2005). It can be operationalised to involve private organisations actively co-operating on joint projects with universities and public research organisations towards introducing an innovation⁴ (Tether and Tajar; 2008, Etzkowitz and Leydesdorff, 1999).

2.3.2 Types of IS

Different types of systems exist across innovation systems research (Carlsson, 2003, Edquist, 2010, Gregersen and Johnson, 1997, Soete et al., 2010). The categorization of these system types is based on different

⁴ Private organisations, universities, and public research organisations are identified as actors existing with the production stage of the value chain.

classifications seen across the innovation systems literature. The more prominent classification involves distinguishing innovation systems across boundaries. These boundaries can exist as either spatial or sectoral boundaries (Edquist, 2010, Soete et al., 2010). The spatial boundary distinction takes the point of departure of the regional boundary, national boundary, local boundary or continental boundary as the locus of analysis (Edquist, 2010, Gregersen and Johnson, 1997). Example of types of innovation systems under this distinction include local innovation systems (Mytelka, 2000), regional innovation systems (Cooke et al., 1997), and national innovation systems (Nelson, 1993, Lundvall, 1992). The sectoral boundary distinction on the other hand, takes the point of departure of the sector or the technological field in question as the locus of analysis (Edquist, 2010, Gregersen and Johnson, 1997). The implementation of innovations under this distinction tends to focus on a creation of a particular innovative product within a sector or a technological field. Examples of types of innovation systems under this distinction include sectoral innovation systems (Malerba, 2002, Malerba, 2009) and technological innovation systems (Carlsson and Stankiewicz, 1991, Bergek et al., 2008).

- *National Innovation System (NIS)*

As the name indicates, in the NIS approach, the country borders provide the boundaries for the involvement of actors towards ensuring the creation of innovation (Soete et al., 2010). Galli and Teubal (1997: 345) as a result defined the approach as *“the set of organisations, institutions and linkages for the generation, diffusion, and application of scientific and technological*

knowledge operating in a specific country". Within these borders, the national educational system, technical and scientific organisations, government policies, cultural traditions and many other national institutions are seen to be fundamental (Carlsson, 2006, Gregersen and Johnson, 1997). As the boundary for participation within the NIS approach revolves around country borders, the pool for identifying all the actors and institutions that interact towards ensuring innovation is seen to come from the national space (Tigabu et al., 2015). Thus, the vast number of actors and institutions that may be present towards ensuring innovation in the NIS approach points to a characterisation of innovation that can be identified as being broad (Carlsson, 2003; Tigabu et al., 2015; Watkins et al., 2015).

Thus, it can be from this argued that NIS approach in considering the national border as the criteria for actor and institution-based participation towards ensuring innovation provides a broad (macro-level) take in relation to how actors and institutions are being perceived.

- *Regional Innovation System (RIS)*

As the name suggests, the RIS approach focuses on the region as the crux of analysis and the locus of innovation (Cooke et al., 1997). In slight contrast with the NIS framework, proponents of this approach argued that interactive learning (which was both a localized and a place-dependent process) was a process that was often played out in the regional arena rather than the national arena (Asheim and Gertler, 2005, Asheim and Isaksen, 1997, Asheim et al., 2011). This argument was based on the perceived influence that territorial agglomeration and the presence of externalities had on

knowledge flow and learning (Cooke et al., 1997). Such agglomeration it is pointed out, could occur in regions within a particular nation or in regions which run across nations (Asheim et al., 2011). As a result of this, the strength of the RIS approach was its ability to push forward some of the limitations of the NIS approach by being able to focus also on geographical areas which embraced several national states and entire sub-continent (Freeman, 2002). Examples of which include: East Asia, West Africa, the Pacific region, and Eastern Europe (Freeman, 2002). This was however in addition to its ability to focus on geographical areas which were small subdivisions of a nation state (that comprised of people who shared an historical origin, spoke common languages or who shared common norms and cultures (Asheim and Gertler, 2005, Cooke et al., 1997). Thus, the RIS concept, unlike the NIS approach, can exist both within and across national borders.

As was argued with the NIS approach, in the RIS approach, territorial agglomeration is responsible for identifying the actors and institutions that interact towards ensuring innovation. Such emphasis on a territorial boundary (either within a country or across a number of countries) results in the identification of all the actors and institutions that exist within such region as being components of such RIS (Yoon et al., 2015). As a result of this, the RIS like the NIS approach is argued to adopt a broad (macro-level) characterisation of actors and institutions which interact towards ensuring innovation (Carlsson, 2006, Watkins et al., 2015).

- *Sectoral Innovation System (SIS)*

As the name indicates, in the sectoral innovation system approach, a particular sector provides the borders for which actors interact towards creating an innovative product (Adams et al., 2013, Soete et al., 2010). As sectoral borders can exist within nations, regions, or across regions and nations, the sectoral innovation system concept does not suffer the same spatial limitations as both the NIS and RIS concept (Malerba, 1993, Malerba and Orsenigo, 1997). As a result, the SIS concept according to Breschi and Malerba (1997: 131) is defined as, *'a set of new and established products which have specific uses and perform specific functions and the set of agents who carry out market and non-market interactions for the creation, production and sale of the products'* (Breschi and Malerba, 1997). The basic elements identified within an SIS consist of: the products, the agents, the knowledge and learning processes, the basic technologies, inputs, demand, related links and complementarities, mechanisms of interactions both within firms and outside firms and the institutions (Malerba, 2002).

Rather than the NIS and RIS approach where analysis begins with a locational boundary, the SIS approach has its analysis beginning with the particular innovative product that is to be created (Boons et al., 2013, Weidenfeld, 2013). As a result, in contrast to the innovation system types under the spatial boundary classification which operates at the macro-level or is described as being broad, in the SIS, the characterisation is seen to be more focused as the emphasis is on the implementation of a particular (specified) product (Watkins et al., 2015). As a result, the set of agents who

interact and the institutions that guide their interactions are more focused and specific. Such emphasis on increased specificity and focus by the agents and institutions points to a characterisation of innovation within the SIS occurring at the micro-level.

- *Technological Innovation System (TIS)*

As the name indicates, in the technological innovation system approach, the technological field provides the focus towards understanding how innovation around a particular technology is created (Bergek et al., 2015, Bergek et al., 2008, Boons et al., 2013, Markard et al., 2015, Weidenfeld, 2013). As a result, a technological innovation system is defined by Bergek et al. (2015) as a "set of elements, including technologies, agents, networks and institutions, which actively contribute to the development of a particular technology (e.g. a specific technical knowledge field or a product and its applications).

In a similar characterisation with SISs, in TIS, a relatively fewer number of agents, institutions and relationships exist since it is built around a particular technology (Binz et al., 2014). Such identification of a specific set of agents, institutions and relationships points to a characterisation of innovation that is more focused (Watkins et al., 2015). As a result of this, such emphasis on increased focus by the agents and institutions towards ensuring the creation of a particular technological field points to a characterisation of innovation within the TIS occurring at the micro-level.

12.3.3. *Institutions in Innovation systems: A critique*

As was earlier indicated, institutions are within innovation systems research defined as a common set of routines, habits, norms, and rules that structure the interactions between actors towards ensuring innovation (Borrás and Edquist, 2014, Edquist and Johnson, 1997a, Wieczorek et al., 2013). They perform the important function of reducing uncertainty by guiding a pattern through which actors can behave towards ensuring innovation (Edquist and Johnson, 1997a).

It is argued from a review of the innovation systems literature that the dominant approach to conceptualising institutions has focused majorly on the identification of political institutions (such as constitutions, statutes) and economic institutions (such as intellectual property law, innovation policies, industrial policies) as institutions which guide the behaviour of actors towards ensuring innovation (Acemoglu and Robinson, 2008, Carlsson, 2003). Such focus on both political and economic institutions points to a treatment of institutions within innovation systems research that can be termed as being broad (as the focus is on institutions that guide the behaviour of organisational actors rather than a focus on the interactions existing between actors and also on the individual agent that may be present within an organisation) (Autio et al., 2014, Hung and Whittington, 2011). Evidence supporting this is seen in the studies by Cimoli (2013) and Adeoti et al. (2008) which provided an analysis of the innovation systems in Mexico and in Nigeria respectively. In describing institutions that were present within their respective innovation systems, both studies identified broad institutions such

as innovation policies, trade policies, and intellectual property law as the key institutions present in their innovation systems (Adeoti et al., 2008a, Cimoli, 2013). This broad treatment it is argued, takes root from North's approach to treating institutions (Acemoglu and Robinson, 2008).

North (1990) defined institutions as humanly devised constraints that structured human interaction. Institutions were within such description modelled into three categories: political institutions (which are very difficult to change and determine the constraints and incentives of political actors in a society), economic institutions (which are less difficult to change and shape the incentives of economic actors in a society by influencing the investments in physical and human capital, technology and the organisation of production) and contracts (which shape the personal interaction occurring among actors) (Acemoglu and Robinson, 2012, Acemoglu and Robinson, 2008, North, 1990). Despite his modelling of institutions into three categories, a vast majority of his subsequent works focused on political and economic institutions, thus implying an emphasis on institutions guiding the behaviours of players at an organisational level rather than at a personal level (Hodgson, 2006). This in turn translated to a dominant focus by North on the national or higher level (Acemoglu and Robinson, 2008, Hodgson, 2006). Such emphasis was however criticised for not only presenting a treatment of institutions that was broad (where focus was on the macro-level institutions that influenced how most organisational actors generally acted within a particular society) but also providing an understanding of institutions that was perceived to be at best basic (Acemoglu and Robinson, 2008).

Notable among these criticisms was the study by Hodgson (2006) where it was argued that North's interest on interactions (and institutions) was less on the interactions between different individual agents within an organisation (and subsequently, the specific institutions guiding the interactions between individual agents within an organisation) and more on the interactions between the organisation and other actors in a national context (and subsequently, the broad institutions that guided the interactions between actors in a national/international context). This in-turn led to a crucial omission regarding the mechanisms which guided how individual agents that were internal to an organisation communicated and interacted with each other (Hodgson, 2006). When paraphrased in institutional terms, it can be argued that North's (1990) take/interest in institutions did very little to provide an explanation of how specific institutions influenced the behaviours of particular individual agents within a society (Welter and Smallbone, 2003). Further sharing in this criticism was the study by Acemoglu and Robinson (2008) where it was argued that North's treatment of institutions while sufficient in providing a starting point for understanding the concept of institutions and the functions institutions performed (due to its broad nature), also fell the risk of providing just a basic understanding of the roles of institutions in a society as it did not look inwards into focusing on institutions that were embedded within a particular organisation or institutions that guided the behaviour of individual agents (Acemoglu and Robinson, 2008).

These criticisms however seem to have been unnoticed by most innovation systems researchers as a good number of studies on innovation

systems have not only adopted North's conceptualisation by focusing on organisations such as large firms and universities as single entities, but have also made no effort to explore internally the nature and dynamics of interactions between individual agents that make up such organisations (Autio et al., 2014, Gustafsson and Autio, 2011). This when explained in Northian terms implies that the focus by a vast majority of studies on innovation systems has been more on providing an understanding of macro-foundations (and as such, macro-level institutions that guide interactions between organisations) involved in an innovation process and less on micro-foundations (seen through micro-level institutions that guide interactions between individual agents) involved in an innovation process (Gustafsson and Autio, 2011).

Such adherence by researchers in innovation systems to North's exposition can be argued to have occurred due to the national focus that dominated earlier studies on innovation systems. Buttressing this fact was the survey done by Carlsson (2006) which pointed out that almost three-quarters of the studies on innovation systems was on national innovation systems. It was also pointed out in the study by Hekkert et al. (2009) that most innovation systems studies identified only with a macro-level treatment of institutions because the focus for analysis was at the national level- where both political and economic institutions were seen to be important.

It can be argued that such treatment of institutions leads to the provision of an understanding of institutions within innovation systems

research which is at best basic (with most empirical studies just defining what institutions are and providing examples of institutions that exist within particular innovation systems) (Acemoglu and Robinson, 2008), a provision of an understanding of what happens within particular innovation systems that is not in-depth and well-detailed, and a provision of an analysis of innovation systems that makes it difficult for policy makers (especially in institutionally deficient countries) to improve such innovation systems.

Towards ensuring the provision of a more detailed understanding of institutions not just within innovation systems research (but also within institutionalist research) and by extension, a much more in-depth analysis of what happens within a particular innovation system, it is proposed that a treatment of institutions which focuses on specific institutions that guide the interactions between particular actors when innovating is important. Such focus it is proposed, can be representative of a treatment of institutions which occurs at a micro-level. Such treatment of institutions at the micro-level has the advantage of enabling the pinpointing of specific institutional characteristics that may be responsible for different economic outcomes within a particular innovation system (Acemoglu and Robinson, 2008). This argument is particularly true most especially when an innovation system constituting institutional deficiencies (such as a developing country) is considered. Within such innovation system, this micro-level treatment it is argued, makes it possible and easier to identify and analyse what particular institutions have a constraining influence on possible interactions existing

between individual agents and also provide an analysis regarding the effect such institutions have when innovating.

Such consideration for the provision of an analysis which looks at the specific (micro-level) institutions that guide the interactions between particular actors can however only exist when the focus on the analysis occurs when innovating (or during the implementation of a focused innovative product). As was argued in the earlier section, this emphasis on the implementation of a focused innovative product points to an emphasis on innovation system types (such as either sectoral innovation systems or technological innovation systems) which focus on the creation of a particular innovative product (and the description of the innovating process) rather than a broader description which focuses on a range of products (as seen with either the national innovation systems or the regional innovation systems approach). As a result, it can be from this proposed that a necessary condition towards ensuring a treatment of institutions at the micro-level is a consideration for an innovation system which occurs either at the sectoral or the technological level.

A treatment of institutions at the micro-level allows for a focus on the specific institutions that guide the interactions between individual agents towards ensuring the implementation of innovation. Such emphasis on individual agents however proves to be quite tricky as the identification of most actors in the literature tends to focus on a collective body of individuals that make up an organisation (Ács et al., 2014, Hung and Whittington, 2011).

As a result, another important condition necessary for the treatment of institutions at the micro-level is argued to be a focus on person-centric nature of actors rather than a collective nature of actors. This focus it is argued, brings to the fore the need for the identification of an actor who is known to give preference to a person-centric characterization rather than a collective characterization (Ács et al., 2014). Such consideration for a person-centric characterization results in the selection of the entrepreneur as the actor to consider towards enabling a micro-level treatment of institutions (Autio et al., 2014). Entrepreneurs are seen to be individuals who recognise and exploit opportunities by introducing new products and processes into the market (Shane and Venkataraman, 2000). According to Radosevic (2007) and Casson (1988), the process associated with entrepreneurs exploiting opportunities is one that is based on their individual judgment making abilities and their individual skills.

The choice of the entrepreneur as the actor acquires further consideration when innovation systems that possess deficient institutions are considered. As it was pointed out earlier, contexts that possess deficient institutions increase the uncertainty attached to the innovation process as it is difficult to predict the behaviour of actors (Michailova et al., 2013). Such argument can also hold in innovation systems research where deficient institutions are present; the uncertainty attached to the innovation process increases, as it is difficult for actors to ascertain how the other actors who they interact with will behave. It is however pointed out that one way of mitigating the extent of this uncertainty is by considering the use of

entrepreneurial actors (on the basis of their ability to deal with uncertainty) (Szirmai et al., 2011). Thus from this, another necessary condition which is important towards ensuring a treatment of institutions at the micro-level (by not only making it possible to provide an agentic take on actors but also towards providing an analysis in institutionally-deficient innovation systems) is a consideration of the entrepreneur as the actor being focused upon.

Before the two conditions necessary for a treatment of institutions at the micro-level are considered towards enabling a generation of research questions which this thesis focuses on, the next section provides a review of the relationship between institutions and entrepreneurs.

2.4. Institutions and Entrepreneurship

Entrepreneurship⁵ is defined as a process that involves the discovery and exploitation of opportunity towards ensuring the creation of a new product, process, marketing method or organisational form; and the individuals (entrepreneurs) who discover and exploit these opportunities (Shane and Venkataraman, 2000). One way by which entrepreneurs discover and exploit these opportunities involves them dealing with the uncertainties, incentives and constraints that are present in the economic environment in which they operate (Szirmai et al., 2011). Apart from uncertainties associated with ascertaining need from the market and introducing a new product to a market, another uncertainty type which entrepreneurs have to deal with is in

⁵ There are various definitions of entrepreneurship in the literature. However, for this thesis, the definition used is based on the process approach from Shane and Venkataraman (2000).

relation to the institutional context (Alvarez and Barney, 2005, Choi and Shepherd, 2004). This type of uncertainty is argued to be much higher in developing country contexts (which are identified as being institutionally deficient) than it is in developed countries where institutions are efficient and effective (Aubert, 2005, De Soto, 2000, Rodrik, 2008). By exploiting opportunities irrespective of the contexts considered, it is implied that entrepreneurs are actors that can deal with the uncertainties associated with contexts possessing institutional deficiencies.

Institutional deficiencies which may occur as a result of the presence of sub-optimal formal institutions (such as unfavourable laws or weak enforcement mechanisms) (Aubert, 2005, Lundvall et al., 2011, Rodrik, 2008) or informal institutions (such as corruption) (Collier, 2002) have been argued to increase the costs attached to transactions and as a result increase the uncertainties that exist in developing countries.

The relationship between institutions present in a context associated with deficiencies and entrepreneurship was first highlighted by Baumol (1996) who argued that in environments where the benefits and rewards for rent-seeking activities outweighed their costs (either as a result of unfavourable laws or weak enforcement mechanisms), unproductive entrepreneurship flourished (Aidis et al., 2008, Baumol, 1996). The study by De Soto (2000) supported this logic by arguing that the strong pervasiveness of extra-legal sectors in developing countries was tied to the realisation by actors within those countries that it was cheaper for them to operate outside

the legal system than it was to operate within it. This argument it is pointed out, was tied to the presence of laws which were unfavourable to most of the entrepreneurs in these countries or the weakness in the enforcement of existing laws which protected the property rights of entrepreneurs in these countries (De Soto, 2000).

More recently, the relationship between entrepreneurship and institutions in contexts associated with institutional deficiencies has received significant attention in research on transition economies where it has allowed for the provision of micro-level explanations for entrepreneurial behaviour in transition contexts (Peng, 2003, Peng and Heath, 1996, Puffer et al., 2010, Smallbone and Welter, 2006, Welter and Smallbone, 2011). Findings gotten from the empirical studies that explore the concept of entrepreneurship and institutions within these contexts have led to the generation of three frameworks which point to how entrepreneurs deal with the uncertainty attached to the institutional deficiencies present in transition economies. The construction of these frameworks is argued to be based on how mechanistic or fluid the responses by entrepreneurs are in relation to the institutional deficiencies present in transition economy contexts.

The first framework occurs by bringing together the arguments by Peng and Heath (1996), Peng (2000), Manolova and Yan (2002) and other researchers who proposed to entrepreneurial behaviour being a direct mechanistic response to the institutional deficiencies that existed within a particular context. Responses attached to entrepreneurial behaviour within

this framework included: prospecting, evasion, financial bootstrapping, diversification and portfolio entrepreneurship, networking and adaption (Welter and Smallbone, 2011). Evidence supporting the implementation of some of these behaviours by entrepreneurs in an institutionally deficient context is seen in the study by Manolova and Yan (2002). According to their study which examined how the reforming institutional environment in Bulgaria influenced the strategic behaviour of entrepreneurial firms, some of the responses associated with the entrepreneurs in Bulgaria included: short-term orientation, informal networking, opportunism and surplus extraction which were all in some particular form a direct response to certain institutional deficiencies that prevented them from executing a particular task (Manolova et al., 2008).

Another description of the behaviours by entrepreneurs in relation to the institutional deficiencies present in the transition context was presented in Oliver's (1991) framework. The framework suggested five types of behavioural responses to the institutional deficiencies (Manolova et al., 2008, Welter and Smallbone, 2011). They included: acquiescence, compromise, avoidance, defiance and manipulation. Acquiescence and compromise strategies are argued to indicate conforming behaviour by entrepreneurs in response to the institutional deficiencies present within their contexts (Smallbone and Welter, 2009, Welter, 2005). Entrepreneurs adopting these strategies tend to acknowledge the existing institutional framework and adopt their behaviour accordingly (Oliver, 1991, Welter and Smallbone, 2011). Avoidance, defiance and manipulation strategies are on the other hand

argued to signal varying degrees of non-conforming behaviour by entrepreneurs in response to the institutional deficiencies present within their context (Smallbone and Welter, 2009, Welter, 2005, Welter and Smallbone, 2011). Entrepreneurs adopting these strategies tend to be in defiance of the existing institutional framework and as a result, their response focuses on either finding ways to circumnavigate the existing institutional framework or changing it altogether (Welter and Smallbone, 2011). Evidence supporting the implementation of some of these non-conforming behaviours by entrepreneurs was seen in the study by Tonoyan et al. (2010). Their study which examined the determinants of corruption in transition economies showed that entrepreneurs sometimes resorted to corruption or paying bribes as a way to navigate the long amount of time spent on bureaucratic red tape in the transition countries considered (Tonoyan et al., 2010).

A third framework which is argued to be more fluid and also accounts for the heterogeneity associated with entrepreneurs, proposes that rather than being a mechanistic response to the institutional deficiencies present (and as a result, being solely dependent on external factors), the behaviours of entrepreneurs within a transition context occurs as a result of the interrelationship between internal factors (e.g. personal characteristics of the entrepreneur such as work experience, education or social networks) and external factors (institutional deficiencies present in such context) (Smallbone and Welter, 2006, Welter and Smallbone, 2011). The approach exists on the premise that entrepreneurial behaviour across any context puts into consideration the personal characteristics of the entrepreneur and how

that may influence his/her reaction to institutional deficiencies (Smallbone and Welter, 2006). Such approach is based on the argument that the interaction between the personal characteristics of entrepreneurs (which may differ across entrepreneurs) and the institutional framework of the context they are in leads to the identification of a situation-centric characteristic of entrepreneurial behaviour (Welter and Smallbone, 2011). As a result, this approach views differences in situations from the perspective of the entrepreneur.

2.5. Research Gap and Questions

It is implied from the critique of the treatment of institutions within innovation systems research that a gap exists in the literature as regards the dearth of a focus on a treatment of institutions that occurs at a more specific (micro) level towards ascertaining the behaviour of individual agents and guiding the interactions of individual actors during innovation. This gap, this thesis argues, is more evident when institutions matter most: i.e. in contexts (such as developing countries) that possess institutional deficiencies. It is argued that this lack of emphasis as regards a treatment of institutions at the micro-level results in a difficulty in identifying some of the institutional deficiencies that increase the uncertainty associated with innovation in developing country innovation systems. In addition to this, it also leads to provision of a basic understanding of institutions within innovation systems research.

Towards enabling a micro-level treatment of institutions, this thesis argues for the consideration of two conditions as being important. They are the consideration regarding the use of either a sectoral or technological

innovation system (on the account of both innovation system types being focused on the creation of a particular innovative product) and the consideration regarding the use of an entrepreneur (on the account of the person-centric characteristic of the entrepreneur and the entrepreneur's ability to deal with uncertainty associated with institutional deficiencies).

In consideration of this gap and the proposed conditions necessary towards enabling a treatment of institutions at the micro-level, it is argued that there may be different ways through which a focus on providing a treatment of institutions within the micro-level can be enabled. One way however, is through exploring how entrepreneurs deal with deficient institutions that are present within particular innovation systems. The strength of this focus it is proposed, allows for not just the provision of a better and a deeper understanding of institutions within innovation systems research, but also allows for the treatment of actors as individual agents which has been almost non-existent within innovation systems research. As a result of this, the major concern of this thesis is argued to focus on answering the research question: *How do entrepreneurs deal with deficient institutions in developing country innovation systems in order to introduce innovations?*

It is seen in arguments from the literature on institutions and entrepreneurship that entrepreneurs in dealing with deficient institutions make use of certain specific institutions to exploit their opportunities (Manolova and Yan, 2002, Puffer et al., 2010). This point when placed in

innovation systems research can enable the proposal that towards dealing with deficient institutions, entrepreneurs make use of certain specific institutions to guide their interactions with actors in ensuring innovation. Thus, an important point to consider towards answering the main research question is as regards a focus on the institutions that were used by the entrepreneurs to guide their interactions with actors towards ensuring innovation.

In addition to this, it was also pointed out from the literature on institutions and entrepreneurship that different frameworks or approaches exist towards providing a description of how entrepreneurs reach the decision to make use of particular institutions when exploiting their opportunities (Oliver, 1991; Peng and Heath, 1996; Welter and Smallbone, 2011). This in essence means that there are different frameworks that describe how entrepreneurs reach the decisions to make use of certain institutions when dealing with deficient institutions within their contexts. This as a result leads to the proposal that within innovation systems research, a focus on exploring how entrepreneurs' reach the decision to make use of particular institutions that guide their interactions is another important point needed to answer the research question.

On the basis of the arguments proposed above, two sub-research questions can be created which make it easier to answer the main research question. They are:

sR1: What institutions do the entrepreneurs use to guide their interactions towards ensuring innovation?

sR2: How do entrepreneurs reach the decisions to make use of certain institutions to guide their interactions towards ensuring innovation?

2.6. Conclusion

From the arguments made in the chapter, it can be proposed that a criticism of the existing use of institutions in innovation systems research will have implications on the methods used. Furthermore, the emphasis on agentic-centred focus on entrepreneurs may bring to the fore aspects such as how the situations that are present in the entrepreneurs' environment and their experiences influence their behaviour when innovating. Such proposals it can be argued, have not been explored within the context of innovation system research.

Potential contributions which may emerge from this treatment of institutions include: the provision of a more in-depth and subtle understanding of institutions in comparison with what has existed in innovation systems research. Also important is the provision of a perspective of analysis that looks at individual agents as actors in innovation systems as compared to organisations which consist of a group of agents.

CHAPTER THREE

3. RESEARCH METHODOLOGY

3.1. Introduction

This chapter aims to provide an outline and justification for the methodology underpinning this research. The chapter commences with an identification of the philosophical stance used for this thesis. Subsequently, an appropriate research design is suggested for the data collection and analysis.

Towards achieving this, the chapter is split into nine sections. Section 3.2 presents a review of some of the philosophical approaches to social research. Section 3.3 presents a review of some of the logics to research. Section 3.4 identifies and justifies the selection of the research approach used here. Section 3.5 identifies and justifies the selection of the research strategy used here. Section 3.6 identifies the data collection methods that were used when gathering data. Section 3.7 provides a description of the steps used towards analysing the data. Section 3.8 identifies the tactics used by the researcher to improve the quality of the research. Section 3.9 identifies the methodological limitations that accompanied the data collection process. Section 3.10 concludes the chapter.

3.2. Research Philosophy

The research philosophy entails the development of knowledge and the study of the nature of that knowledge (Bryman, 2012, Saunders et al., 2009). Within both the social and natural sciences, the main reason for doing research is to develop knowledge in a particular field. As such, the process

of identifying and selecting the research philosophy makes the process of undertaking research easier (Saunders et al., 2009). Knowledge of research philosophy is argued to be the primary step for research (Denzin & Lincoln, 2011; Creswell, 2007).

The research philosophy adopted is argued to contain important assumptions about the way in which the researcher views the world of the research and more importantly, the best way a particular research objective can be achieved (Saunders et al., 2009; Creswell, 2007; Crotty, 1998). These assumptions guide the choice of research strategy and methods chosen as part of the strategy (Bryman, 2012, Creswell, 2007). Constituting the research philosophy are the ontological, epistemological and philosophical stances a researcher takes (Creswell, 2007, Saunders et al., 2009, Crotty, 1998).

3.2.1. *Ontology*

Ontology relates to the nature of knowledge (reality) and how knowledge is viewed within a field (Crotty, 1998). As pointed out by Saunders et al. (2009), knowledge can be viewed as being external to social actors. This view is termed an 'objective view of knowledge'. It can also be viewed as existing as a result of social constructions built up from the perceptions of social actors and as a result seen as being internal to them (Bryman, 2012). This view is termed a 'social constructionist view of knowledge' (Bryman, 2012, Creswell, 2007, Nightingale and Cromby, 2002, Saunders et al., 2009).

Within the research paradigm, this means that when researchers embrace the idea of knowledge being generated externally then they are seen to adopt an 'objective ontology towards research' (Creswell, 2013, Saunders et al., 2009). On the other hand, when researchers embrace the idea of knowledge being generated through multiple realities and internal constructs, then they are seen to adopt, a 'social constructionist ontology towards research' (Nightingale and Cromby, 2002).

3.2.2. Epistemology

Epistemology is concerned with the nature of knowledge and how that is understood and justified within a given field or context (Bryman, 2012, Creswell, 2007). Under epistemology, knowledge is argued to be generated and studied from two common perspectives. The first perspective involves knowledge being generated or studied from principles and procedures similar to those used in the natural sciences (Bryman, 2012). This typically involves performing experiments or surveys in which knowledge being generated is independent of the perception of the social actor seeking to generate the knowledge (Bryman, 2012, Gray, 2013, Robson, 2011). The second perspective involves knowledge being generated or studied from principles and procedures similar to those used by social actors who believe that the understanding of a phenomenon results from the perceptions of multiple actors who have experienced such phenomena (Creswell, 2007, Silverman, 2013, Silverman and Marvasti, 2008).

3.2.3. *Philosophical stance*

Various philosophical stances or paradigms also exist within social research (Crotty, 1998). Each of these paradigms occur as a result of the adoption of unique ontological and epistemological positions (Saunders et al., 2009). Thus, the choice of a particular paradigm is largely based on which combination of ontological and epistemological positions are best suited for the research problem being solved. Among the various paradigms available, the most commonly identified are the positivist philosophical stance, the interpretivist philosophical stance and the critical realist philosophical stance (Bryman, 2012, Robson, 2011, Crotty, 1998).

- *Positivism*

Positivism is argued to be strongly associated with an objectivist ontological position (Saunders et al., 2009). Within this perspective, the researcher views knowledge as being created externally and as such views knowledge as being an objective phenomenon (Bryman, 2012). Within the epistemology of positivism, the argument is centred on total belief in the use of natural science principles and procedures (Denscombe, 2014, Gray, 2013, Robson, 2011) towards understanding or generating knowledge. Under this philosophical stance, the researcher only values the process of scientific rigor and not its impact on the research participants (Robson, 2011). Natural science techniques such as experiments and surveys are largely adopted within this philosophical stance (Robson, 2011).

While positivism has been largely adopted across a range of research performed within the social context, it is not without its criticisms (Gray,

2013). Some of these criticisms include: the 'principle of observer effect', the inability to purely link theoretical concepts to reality as it is being observed and the difficulty in separating facts from values among others respectively (Bryman, 2012).

- *Interpretivism*

Interpretivism is argued to be strongly associated with the social constructionist ontological position of research (Saunders et al., 2009). Within the ontology of interpretivism, knowledge is viewed as occurring as a result of multiple constructs or realities built by actors within a field or context (Creswell, 2007). Guba and Lincoln (1994) point to the fact that '*knowledge is constructed inter-subjectively through the meanings and understandings developed socially and experimentally*' (Guba and Lincoln, 1994). As a result, the researcher adopting an interpretivist philosophical stance believes that multiple truths exist which can be studied with the purpose of research being to explore those truths (Creswell, 2007). According to the epistemology of research, it is pointed out within the interpretivist stance that people construct their own understanding of knowledge based on interactions with their own surroundings (Robson, 2011). Thus, the researcher adopting such a stance believes that the only way by which knowledge can be generated and studied is by immersing himself/herself in the specified research context (Saunders et al., 2009). This process allows the researcher to understand the views of the participant regarding the concept being studied (Creswell, 2013). This, it is argued, can be done by adopting techniques which allow the

researcher direct and close contact with elements in such fields (Creswell, 2007, Creswell, 2013, Robson, 2011, Saunders et al., 2009).

Criticisms however exist for the use or adoption of the interpretivist philosophical stance in research. A commonly referred to criticism of such a philosophical stance is the difficulty in separating the values of the researcher from the facts in the research (Bryman, 2012). Arguments exist on whether such values bring about bias within the findings of the research (Patton, 2005, Robson, 2011, Silverman and Marvasti, 2008). Researchers who have an emotional or personal attachment to a particular context sometimes find it difficult to separate their opinions about such context from the findings of their research (Robson, 2011). Another criticism identified by Robson (2011) involves the difficulty in identifying knowledge generated under the interpretivist stance as 'true knowledge'. This argument is based on the premise that the different constructs generated may be so divergent as to not lead to any meaningful conclusion (Robson, 2011).

- *Critical realism*

Critical realism is a philosophical stance which argues for the construction of knowledge being dependent on what is objectively seen in the real world. According to Bhaskar (2010), *"what we see is only part of the bigger picture and we can identify what we do not see through the practical and theoretical processes of the social sciences"*. Critical realism as argued by Bygstad and Munkvold (2011) adopts an objective ontology where there is an existence of an externally-generated knowledge and reality. Reality here is seen to be from a natural science viewpoint (Bygstad and Munkvold, 2011). However,

contrary to the positivist philosophical stance, critical realism adopts an epistemological approach similar to interpretivism (Bygstad and Munkvold, 2011). This means that attempts to understand such a single view of knowledge is based on both understanding and interaction with the social setting. In other words, according to Bhaskar (2010), the critical realist stance proposes that although a real world exists, knowledge of that world is socially constructed and fallible.

Critical realism however is not without its criticisms. Principal amongst these criticisms are its mixed usage of an objective ontology and an epistemology similar to that used in interpretivism. This makes it unacceptable for purists who are either purely positivist or interpretivist in thinking (Creswell, 2007). Furthermore, some of the criticisms levied against interpretivism have also been levied against critical realism (Bygstad and Munkvold, 2011). Critics of critical realism have argued for the fact that its dedicated lack of use of structured empirical methods brings into question its notion of validity and truth (Bygstad and Munkvold, 2011, Creswell, 2007).

3.2.4. Justification of a philosophical stance

It is pointed out in the literature that the choice of a philosophical stance is deeply rooted in either the training of the researcher (thus emphasising a particular philosophical preference) or the nature of the research question being considered (Creswell, 2007). However, while philosophical preferences of researchers may change over a course of a career, the nature of the research question indicates the best approach towards solving a problem (Creswell, 2007). Thus, towards justifying the choice of the interpretivist

philosophical stance which was chosen for this thesis, the nature of the research question was used.

It is implied from the literature review that the assessment of institutional deficiencies and the institutions that will be used by the entrepreneurs towards ensuring innovation within a particular innovation system will depend on each entrepreneur's perception regarding the nature of institutions in the particular innovation system. This emphasis on multiple interpretations is believed to be synonymous with an ontology that advocates for the viewing of knowledge as occurring from multiple realities.

It is also pointed out that towards understanding these multiple interpretations, the researcher has to rely on the subjective views of the entrepreneurs with respect to institutions within the innovation system being considered. These subjective views are best studied by the researcher understanding the innovation system being considered, interacting with actors present in such an innovation system and having personal discussions with such actors (Creswell, 2007). Thus, by having face-to-face conversations with the entrepreneurs in question, the researcher can have a better understanding of how and why the entrepreneurs perceive institutions the way they do and how such perceptions feed into them deciding to use a particular institution to ensure innovation. This emphasis on understanding the different perceptions of the entrepreneurs via interacting with them is believed to be synonymous with an epistemology that advocates for

understanding the concept of knowledge through the researcher's immersion in the research environment (Gray, 2013).

Thus, this identification of an ontology based on social constructionism and an epistemology which advocates for the researcher interacting with the research surrounding is argued to be representative of the use of the interpretivist philosophical stance.

3.3. Research Logic

A research study is argued to always involve theory (Bryman, 2012). Such theoretical underpinnings are identified either during the beginning stage or towards the latter stage of the research (Saunders et al., 2009). The positioning of the theoretical underpinnings on the research shows whether the research should adopt a deductive logic in which a theory and hypothesis is developed and research is designed to test the hypothesis or an inductive logic in which data is collected, analysed and is used to build up the theory (Hakim, 2000; Saunders et al., 2009).

3.3.1. Inductive logic

The inductive logic for research is concerned with developing theory from the data (Bryman, 2012, Gray, 2013). An inductive logic involves four key steps. The first step involves the production of a specific set of observations taken from the data. Secondly, from these observations, patterns can be generated which suggest relationships between variables (Gray, 2013). These patterns enable the researcher to develop some tentative hypotheses or conclusions which can be explored. Finally, these conclusions may lead to the generation of theories (Bryman, 2012, Gray, 2013, Saunders et al., 2009).

These steps are not linear but exist in an iterative manner whereby the researcher moves between steps to ensure the generation of conclusions (Bryman, 2012). The movement from data to theory building under the inductive logic is argued to be representative of a bottom-up reasoning to executing research. Furthermore, this emphasis on building theory from data makes the inductive logic to research more appropriate for exploratory research which adopts an interpretivist philosophical stance.

3.3.2. *Deductive logic*

According to this logic, theory is developed and proven through a testing of hypotheses (Bryman, 2012). Thus, the researcher according to this logic is concerned with testing a hypothesis that has been deduced from theory (Gray, 2013, Saunders et al., 2009). Unlike in the inductive logic, the steps involved in testing the hypothesis are more linear (Bryman, 2012). This focus on testing a hypothesis which is deduced from theory makes the reasoning behind the deductive logic more top-down. Within this logic, the tendency is to collect and measure data which can be observed and operationalised (Gray, 2013). As a result of this, subjective evidence is ruled out. This emphasis on objective data is indicative of the fact that the deductive logic is strongly associated with a positivist philosophical stance to doing research (Gray, 2013, Saunders et al., 2009).

3.3.3. *Justification of research logic*

The selection of a particular logic is tied to the focus of the thesis. One of the main issues that surfaced from the literature review was that the entrepreneurs had to make use of other institutions to deal with deficient

institutions that was present in a particular innovation system. However, the differentiating factors as regards these would have been the pattern of institutions that they used in their interactions with actors and the factors that influenced their decision to use such institutions towards ensuring innovation.

A focus on exploring the institutions that were used and also the factors that influenced the use of such institutions pointed to the dependence on using observations collected from data to create patterns and also a generalised conclusion regarding how entrepreneurs dealt with deficient institutions that were present in a particular innovation system. This emphasis on using observations from data to generate theory pointed to the choice of an inductive logic to be used for this research. However, unlike pure inductive research which provides very little information towards enabling data collection and analysis (Bryman, 2012), the presence of existing literature which was used to guide the creation of the sub-research questions and subsequently aids in data collection and analysis points to the presence of a deductive element to this research.

As a result, the logic adopted for this thesis does not follow the pure bottom-up approach seen in grounded theory research (Strauss and Corbin, 1990). Rather, it is argued that elements of deductive reasoning guide the bottom-up approach. An illustration of how this inductive logic (with elements of deductive reasoning) was used for this thesis was how the observations that were generated after the researcher interacted with the data led to a change in the original focus of the research. This new focus led to the

execution of a new review of the literature which put forward arguments that were coherent with the information being generated from the data.

3.4. Research Approach

An approach to research is regarded as the choice the researcher makes on how the particular research intends to be carried out (Denscombe, 2014). There are two major approaches to doing research: the quantitative approach and the qualitative approach (Gray, 2013; Robson, 2011). Recently there has also been an increasing use of a third approach to research called the 'mixed method approach' (Denscombe, 2014).

The quantitative approach to research attempts to emulate the research procedure of the natural sciences albeit in a social setting (Bryman, 2012, Remenyi, 1998, Robson, 2011). It is primarily associated with researchers who adopt both a positivist philosophical stance and deductive logic when doing research (Bryman, 2012). The qualitative approach on the other hand, bases its argument on the notion that since social research is based on human beings in social situations, then an approach which prioritises the interactions between people in social situations is the appropriate approach towards understanding and researching the social context (Bryman, 2012, Patton, 2005, Silverman, 2013). Researchers adopting a qualitative approach to research are typically associated with having adopted both an interpretivist philosophical stance and an inductive logic towards research.

For this thesis, the qualitative research approach was adopted based on two conditions. The first condition related to the identification of the need for

the researcher to account for the multiple perspectives given by the entrepreneurs. This and the need to build a theoretical argument concerning the factors that influenced the decisions made by the entrepreneurs from the data collected justified the selection of a qualitative approach for this research. The second condition is related to Creswell's (2007) argument on the relationship between the qualitative approach and exploratory research. As was stated in the literature review, there are very few studies within innovation systems research that have attempted to provide a treatment of institutions at a micro-level.

Thus, this novelty in research focus points to an emphasis on an exploratory study.

3.5. Research Strategy

Research strategy as defined by Bryman (2012), *"is the general orientation to the conduct of research"*. Different research strategies exist when doing research (Yin, 2003). The choice of research strategy can be seen to be dependent upon the research questions, the researcher's philosophical preferences, the chosen research logic and the research approach (Robson, 2011). For this thesis, a case study was chosen as the appropriate strategy.

3.5.1. Case study strategy

The case study strategy involves an empirical investigation of a particular contemporary phenomenon within its real life context using multiple sources of evidence (Creswell, 2007, Saunders et al., 2009, Yin, 2003). It was argued by Creswell (2007) that the vast majority of use of the case study strategy in social research has been associated with the inductive logic/qualitative

approach. Despite this, there has also been increasing use of the case study strategy in the quantitative approach (Yin, 2003). The case study strategy is of particular interest to the researcher if the focus is to gain a rich understanding of the context of the research and the processes being enacted (Denscombe, 2014).

As it was argued in the literature review chapter, a treatment of institutions at the micro-level is one that has not received any attention in innovation systems research. It is pointed out that such dearth in attention is linked to the dominant exposition by North (1990) and researchers in innovation systems on a focus of research at a national/higher level rather than an individual agentic level where specific (micro) institutions are important. As a result, it can be proposed that a focus on a treatment of institutions at a micro-level within innovation systems research represents a new topical area where knowledge can be generated.

One of the many strengths of the case study strategy is related to its appropriateness in exploring new topical areas most especially within particular contexts (Eisenhardt, 1989). This when placed within the context of the thesis allows for the proposal of the case-study being an appropriate strategy that allows the researcher to go into a developing country innovation system (on the basis of its possession of institutional deficiencies) with a well-defined focus of finding out what institutional deficiencies exist within such innovation system, what particular institutions the entrepreneurs use in order to deal with such deficiencies towards ensuring innovation; and how

entrepreneurs reach the decision to use such institutions towards ensuring innovation.

- *Components of case study strategy*

Yin (2003) identified five components that are particularly important when designing a case study: the research questions, the research purpose (propositions), its unit of analysis, the logic linking data to the research purpose and the criteria for interpreting the findings. However, as the last two will be highlighted in the data analysis section, this section focuses only on the first three components.

- **Research question**

The research question refers to the question that was generated as a result of the gap identified in the literature review.

- **Research purpose**

The research purpose directs the researcher's attention to what should be examined within the scope of the research (Yin, 2003). Stating the research purpose is important as it aids the researcher in moving towards the right direction. For this thesis, the statements of the research purpose are linked to the sub-research questions that were generated. This thesis makes use of those questions to guide both the data collection and analysis process.

- **Unit of analysis**

The unit of analysis focuses on describing what the case is about (Creswell, 2007). As such, it gives a direction of what the focus of data collection will centre on (Yin, 2003). The selection of the unit of analysis for a particular research study is related to the way a researcher defines his/her research

question and also what the research purpose is (Yin, 2003). Thus, as this thesis focuses on how a micro-level treatment of institutions can be implemented by having knowledge of how entrepreneurs deal with institutional deficiencies present in a particular innovation system.

- *Case study designs*

Case study designs are classified into four different types. These four types are based on two classifications each representing different design situations: case studies being seen as either 'single or multiple' and case studies being seen as either 'holistic or embedded' (Yin, 2003). Combining these classifications allows for the depiction of cases study designs as: single holistic designs, single embedded designs, multiple holistic designs and multiple embedded designs (Yin, 2003).

A single case design is argued to involve only one case (Bryman, 2012). The choice for the application of a single design for a case study is largely based on the research question and the choice of case for that study. There are five conditions under which a single design classification can be used (Bryman, 2012, Yin, 2003): when the case is a critical case, a unique case, a typical case, an extreme case or a longitudinal case. On the other hand, the argument for the multiple case design presents it as including more than one case (Yin, 2003). The choice of a multiple case design is based on the premise that it improves the validity of the findings as multiple cases give a richer narrative concerning the phenomena being studied. The second classification is based on either '**holistic or embedded**' designs. Cases that focus on single individuals are depicted as being holistic cases (Yin, 2003).

On the other hand, cases which are much broader such as organisations (which have sub-units such as departments existing within them) are depicted as being embedded cases. The sub-units within embedded designs are argued to reveal information which can be aggregated together to create a single case evidence (Yin, 2003).

For this thesis, the case study design configuration used was the multiple-embedded design. The selection of the multiple design was done in a bid to improve the validity attached to the findings from the research. On the other hand, the selection of an embedded design was due to the innovation system focus of the research (emphasis on the entrepreneurs collaborating with actors towards innovating).

▪ *Sampling*

Sampling is a technique that allows a researcher to reduce the amount of data he/she needs to collect by considering only data from a sub-group rather than all possible elements (Bryman, 2012). Sampling techniques can be divided into two types: probability sampling and non-probability sampling. For a qualitative case study such as this, the dominant sampling technique used by researchers is non-probability sampling (Bryman, 2012). This is because under non-probability sampling, researchers are focused on ensuring that they gain access to a wide range of individuals that will be relevant to their research⁶ (Bryman, 2012). Under this sampling technique, the focus is finding participants or cases who fit the criteria that is important

⁶ This is different from what obtains with probability sampling which is commonly used when attempting to generalise a population of individuals from a context.

to answering the research question (Bryman, 2012, Gray, 2013). By focusing on finding or selecting participants who fit the criteria to answer a research question, most of the sampling done under the non-probability sampling technique is seen to be purposive (Bryman, 2012).

For this thesis, the sample population of entrepreneurs considered was from entrepreneurs who had innovated within the Nigerian film industry from 2009 to 2012. The rationale behind the choice of 2009 to 2012 as the range of years considered was tied to the argument that the year 2009 represented the period when cinemas in Nigeria started to consider the exhibition of film projects created by Nigerian entrepreneurs. On the other hand, the consideration of the year 2012 was because it coincided with the period the researcher planned to gather data from the field. In addition to this, the sample size considered for the case study consisted of 40 participants. The consideration of this particular figure was tied to three factors. These include: the proposed number of cases considered, the innovation system focus of the thesis and the limit to which saturation began to possibly manifest.

For the first factor, it was planned within this thesis that the number of cases to be considered would be 4, with each case consisting of the entrepreneur and other actors who interacted with the entrepreneur towards ensuring innovation. For the second factor, as was previously argued, the innovation systems approach places emphasis on the interaction between actors (private organisations, government, etc.) towards ensuring innovation. In consideration of this, the researcher believed that the particular figure

chosen would be large enough to cater for the range of actors (private and governmental) that the entrepreneurs may have interacted with and also actors who played significant roles in ensuring the implementation of innovation within the Nigerian film industry. Finally, it was also argued that the consideration of the particular sample size was done because the researcher believed it would be small enough to reduce the probability of occurrences relating to data saturation.

▪ *Justification for the choice of the Nigerian film industry*

For this thesis, the Nigerian film industry was chosen as the context for study. The reason for this choice was based on a number of reasons. They included: its appropriateness as a context that comprised of specificities (such as institutional deficiencies) which could potentially inhibit innovation (Arewa, 2012), its appropriateness as a sector deemed to be important to ensuring growth in the Nigerian economy (Barungi, 2014, EY, 2014), the ease associated with gathering data from the film industry and finally, the potential for novelty associated with doing research focused on the film industry.

The first reason was related to the argument that the Nigerian film industry context fits the developing country requirement of an environment that possesses institutions which perform the function of impeding the flow of information and as a consequence, increases the uncertainty associated with the innovation process (Arewa, 2012). Justifying this choice were the studies by Haynes (2010; 2014), Chowdhury et al. (2008) and Arewa (2012) that all identified institutional deficiencies (such as a weakness in the enforcement of

contract law and in the enforcement of copyright law) as being present in the Nigerian film industry.

The second reason was related to its appropriateness as a sector deemed important towards ensuring the growth of the Nigerian economy. The Nigerian film industry has been argued to play an important role towards the growth of the Nigerian GDP (Chowdhury et al., 2008). Supporting this claim is evidence from recently released data from the Nigerian Bureau of Statistics (NBS)⁷ which identified the film industry as being one of industries responsible for the sudden jump in the Nigerian GDP after the rebasing exercise (Oh, 2014, Omanufeme, 2016). In addition to these macro-economic indices, it was argued that the film industry was responsible for over 1million jobs (with a potential to create another 1million) (Chowdhury et al., 2008, Oh, 2014, EY, 2014, OBG, 2015). These figures lead to the film industry being depicted as the second largest employer of labour after the agricultural sector (Barungi, 2014, Sunday, 2015, OBG, 2015). The sum total of these arguments paint the film industry as one which is not only strategic but also possesses the potential to play an important role towards ensuring the increase in productivity and competitiveness associated with the Nigerian economy.

The third reason was related to the ease of getting data. As the researcher is a Nigerian, it was believed that focusing on gathering data from innovative entrepreneurs in the Nigerian context would increase his chances

⁷ According to the NBS, the Nigerian film industry accounted for more than 1.4% of GDP (which translated to it accounting to about \$7.2billion of Nigeria's GDP)

of getting all the data required for this thesis. However, the outcome of an earlier pilot study which the researcher undertook in November 2012 led to his realisation that he would face problems gathering data about innovation from most entrepreneurs in Nigeria. The pilot study which considered ten participants from different industries in Nigeria revealed that apart from the entrepreneurs in the technology-user industries (film and music), most of the entrepreneurs across the other industries were quite reluctant about providing information regarding the implementation of innovation. The eagerness shown by the entrepreneurs from the film industry as regards talking about innovation and their willingness to provide access and details of the actors who they interacted with towards ensuring innovation significantly skewed the researcher's decision to consider the Nigerian film industry as a context for data collection.

The fourth reason behind the decision to choose the Nigerian film industry relates to the potential for originality and novelty that was associated with undergoing a study that explored the innovation systems concept within the Nigerian film industry. A review of academic studies on innovation systems in the Nigerian context revealed that there had been no academic study that explicitly explored the concept of innovation in the Nigerian film industry. Furthermore, it was also seen that no study had adopted the innovation systems approach in the Nigerian film industry.

As a result of this absence of innovation-based studies focused on the Nigerian film industry and also its burgeoning importance within the Nigerian

environment, the researcher believed that selecting the Nigerian film industry as a context for study would allow the generation of findings which could prove important to both academic researchers and policy makers in interested in improved productivity within the Nigerian context.

3.6. Data Collection

The major advantage of the case study strategy is its use of multiple sources of evidence (Yin, 2003, Denscombe, 2014, Gray, 2013). These sources of evidence are otherwise called data collection techniques. They include: interviews, participant observation, direct observation, documents and physical artefacts (Yin, 2003, Denscombe, 2014). For this thesis, the sources of evidence used to gather data were interviews and documents.

3.6.1. Interviews

An interview is a conversation that is depicted as having a structure and purpose (Kvale and Brinkman, 2009). It is an attempt to gain an understanding of a line of enquiry from the point of view of an interviewee (subject) (Kvale and Brinkman, 2009). Interviews are argued to be one of the most important sources of case study evidence (Yin, 2003). They are argued within the case study strategy to typically operate on two levels: the first level (level 1) exists as 'friendly' and 'non-threatening' questions which the researcher asks the interviewee to open up a broad line of enquiry (Yin, 2003); the second level (level 2) involves more focused questions which satisfies the needs of the researcher's line of enquiry (Yin, 2003). Interviews are quite appropriate for this study because:

1. They are particularly well suited for exploratory research that seeks in-depth understanding of a research phenomenon (Gray, 2013) such as exploring why entrepreneurs within the selected innovation system make particular decisions
2. They also enable the researcher to gain access to the participant's lived experiences (Kvale and Brinkman, 2009) which is of particular importance in this thesis

For this thesis, a semi-structured interview format was selected. Unlike in the structured format where questions are administered with very little chance for probing and the unstructured format where the researcher does not have a list of questions driving the process (and as a result runs the risk of focusing on issues which do not tally with the researcher's interest), semi-structured interviews provide some measure of structure with a list of issues the researcher intends to discuss (Flick, 2009, Gray, 2013). They also give the researcher the freedom to follow up or probe on certain points that are of importance to him/her (Flick, 2009, Gray, 2013).

Interviews involves the identification of the interview population and the development of the interview protocol.

- *Identification of the interview population*

Apart from the innovative entrepreneurs who were identified through the chosen sampling techniques, other interview participants for this research included: the crew members who interacted with the entrepreneurs (cinematographers, post-production specialists, equipment suppliers), banks, government agencies focused on the Nigerian film industry, industry

consultants, industry experts who specialise in the Nigerian film industry and cinema distributors. In total, about forty interviews were planned to be done.

▪ *Development of interview protocol*

The interview protocol provides a framework with which an interviewer develops question sequences and makes decisions about which information to pursue in greater depth (Patton, 2002). It generally operates as a guide to the list of questions that will be covered during the interview. While the guide/protocol is created to ensure that the researcher sticks to a systematic list of questions in the interview, it is by no means a rigid framework as the interviewer can decide to change the order of the questions (Flick, 2009, Patton, 2002).

Developing the interview protocol for this thesis required careful consideration of what information was being sought and how the information could best be obtained.

For this thesis, three different interview protocols were used:

1. Interview protocols for innovative entrepreneurs in the Nigerian film industry.
2. Interview protocol for innovation actors that the entrepreneurs interacted with.
3. Interview protocols for key informants (industry consultants, government agencies, industry experts, banks, etc.) in the Nigerian film industry.

The interview protocol is divided into three sections. The first section introduces the researcher, the research project, why the particular participant is important to the research project and also the potential advantages the participant can gain from participating in the research. The second section focuses on the ethical considerations of the research. It introduces to the participant the issue of consent, voluntary participation and the no-harm principle. Finally, the third section consists of the interview questions-introducing the main questions and probing questions for the interview. The questions that were asked under this section were grouped into four categories:

Description of innovation: Focus on giving a description of the innovative film project, how the opportunity to create such a film project was recognised by the entrepreneur and the process involved in the creation of the innovative film project.

Linkages with actors: Focus on identifying the actors the entrepreneur interacted with and why those particular actors were selected by the entrepreneur to ensure the creation of the innovative film project.

Institutions guiding interactions with actors: Focus on identifying the institutions the entrepreneur used to guide his/her interactions with the actors and why those particular institutions were used by the entrepreneur when innovating.

Challenges to innovation: Focus on identifying the challenges existing within the Nigerian film industry that limit the ability of entrepreneurs to create an innovative film project and also why such challenges exist.

A sample of an interview protocol used for this research is seen in 'Appendix 4' at the end of the thesis.

3.6.2. Documents

Documents as sources of evidence are argued to be important in almost any research adopting the use of a case-study strategy (Yin, 2003). They are useful in corroborating or validating information from other sources of evidence (Creswell, 2007, Yin, 2003). In addition to this, documents also fill information gaps which may have been missing during primary data collection (Yin, 2003). Sources of documentary evidence include: newspaper articles, diaries, e-mails and unpublished organisational reports. For this thesis, the application of documents occurs in two stages.

The first stage involves the use of documents by the researcher towards building his knowledge about the Nigerian film industry. The second stage involves the use of documents by the researcher to corroborate and in some cases augment informational gaps from primary data collection.

3.6.3. Field work report

This report consists of activities that commenced as soon as the researcher left for Nigeria. It consists of the pilot interview and the field work activity.

- *Pilot interview*

The field work process started with the use of pilot interviews to test the accuracy of the interview protocol which was created by the researcher. As the researcher was also new to interviewing, the pilot interviews helped the researcher to brush up his confidence and also manage the allocated time he was given. The outcome of these interviews allowed the researcher realise that some gaps existed in his interview protocol. It also resulted in the researcher realising that he would need to allow the participants to talk without being interrupted (as it was seen as a sign of disrespect in the Nigerian environment). In addition to this, the researcher also realised from the pilot interviews that he had to expend extra effort to make sure that his recorder had been set with replaceable batteries readily available in the case of battery failure. Finally, as one of the participants did not agree to being recorded, the researcher realised from this that he would have to be prepared to write down notes in similar instances.

- *Field work activity*

The field work lasted for six months (from July 2013 until December 2013). To start with, forty interviews with participants from the Nigerian film industry were undertaken by the researcher. Each interview session lasted between 45 minutes to 1hr 30minutes. Also important is the fact that all these interviews were done in English because it is the language for doing business in the Nigerian film industry. The data from the interviews were gathered both in Lagos and Abuja. The reason behind doing the interviews in Lagos was because of its identification as the creative and economic hub of

the Nigerian film industry. As a result, most of the actors involved in both the production and financing of films are situated in Lagos. On the other hand, the reason behind doing some interviews in Abuja was because of its identification as the regulatory hub in Nigeria. As a result, most of the government organisations related to the Nigerian film industry are situated in Abuja.

The first batch of interviews which took place between July 2013 and November 2013 were with the innovation actors who created the film projects, the financial actors and the industry experts. These interviews when broken down were thirty-two in number. Four cases (of six or seven interviews per case) were considered in the interviews with the innovation actors. Each case constituted: producer/entrepreneur, the cinematographer, the equipment provider, the post-production manager, the director and the script writers⁸. These actors (who can be termed innovation actors) all interacted with the producer to ensure the physical production of the innovative film project. In addition to the interviews with the innovation actors, were interviews with the financial actors (banks), industry experts, industry consultants and cinema distributors with whom the producers interacted in some cases. The second batch of interviews took place between November 2013 and December 2013. These interviews were with the government and regulatory agencies that supervised the activities of the Nigerian film industry. These interviews were eight in number.

⁸ The Appendix 1 at the end of the thesis provides a detailed identification of the key actors who collaborated with the producer in the creation of his/her innovative film project

The questions the interviews focused on were broken into three batches. The first batch of questions were with the four entrepreneurs/producers considered for each of the cases. The second batch of questions were with the innovation actors who the entrepreneurs interacted with to ensure the physical production of their innovative film projects. The third and final batch of questions were with the key informants (banks, industry experts, industry consultants, distributors, exhibitors and government agencies).

With respect to the first batch of questions, five core areas were covered by the researcher during the interviews⁹:

- Introduction to the entrepreneur and his/her enterprise
- Introduction to the entrepreneur's innovation (innovative film project)
- Linkages with innovation actors
- Institutions guiding interactions with actors
- Challenges faced in producing the innovative film project

With respect to the second batch of questions, four core areas were covered by the researcher during the interviews¹⁰:

- Introduction to the innovation actor
- Specific innovation activity performed by innovation actor
- Linkage and institution guiding interactions with entrepreneur

⁹ A breakdown of the questions asked in each of these areas are seen in part 1 of Appendix 2 at the end of this thesis.

¹⁰ A breakdown of the questions asked in each of these areas can be found in part 2 of Appendix 2 at the end of this thesis.

- Challenges to the particular film project and also generally within the Nigerian film industry

With respect to the third batch of questions, three core areas were covered by the researcher during the interviews:

- Introduction to the key informant
- Informant's perception of innovation in the Nigerian film industry
- Challenges towards innovation, and towards film production within the Nigerian film industry

With respect to the collection of documentary evidence, the data collected from documents started in January 2013 and ended in June 2015. Data gotten from this source of evidence was taken from newspaper articles on the Nigerian film industry, transcripts of previous interviews the entrepreneurs considered had concerning their innovative film project and unpublished reports of the Nigerian film industry.

3.7. Data Analysis

After the data has been gathered, the next step involves analysing the data by attaching meaning to it (Bryman, 2012, Denscombe, 2014, Gray, 2013). For this thesis, the data analysis step was split into transcription of data and interpretation of transcribed data.

3.7.1. *Transcribing the data*

Transcription is the process of converting the oral interview conversation into a written text format (Kvale, 2008, Kvale and Brinkman, 2009). This conversion of the data into a written format is important as it makes the

analytic process easier to achieve (Kvale, 2008, Kvale and Brinkman, 2009). Transcriptions of oral conversations can either be done in a word-by-word format where words and non-legible expressions used by the participant are considered or in a more formal style where expressions are removed and the words are edited (Kvale and Brinkman, 2009).

For this research, the transcribing process was done in a word-by-word format where both the words and non-legible expressions of the participants were used. The choice behind the decision of this format was linked to issues of transcription validity (Kvale, 2008, Kvale and Brinkman, 2009). The researcher believed that putting the transcripts through a formal format which was then edited may alter some of the arguments or points that the participant was trying to make. In addition to this, the researcher believed that the participants may not have taken lightly having some of their statements altered and as a result could request that their interviews not be used.

3.7.2. Interpretation of the data

The interpretation is the anchoring point for making decisions about which data to integrate next in the analysis (Flick, 2009, Strauss and Corbin, 1990). It can be seen to consist of multiple steps towards attaching meaning to the data. Amongst these include: open coding, categorisation, case narratives and cross-case synthesis.

- *Open coding*

Open coding or initial coding is the starting point of the interpretation process (Flick, 2009). It is a systematic and iterative process which gives structure to

the transcribed data. Open coding as defined by Strauss and Corbin (1990: 74) is an *“analytic process by which concepts are identified and developed in terms of their properties and dimensions. The basic analytic procedures by which this is accomplished are: the asking of questions about the data and the making of comparisons for similarities and differences between each incident, event and other instances of phenomena”*.

The open coding step consists of two stages (Flick, 2009). The first stage which is more data-driven involves the generation of codes as the researcher reads through the text (Flick, 2009). The second stage which tends to be more concept-driven involves classifying the codes by grouping them around categories which are particularly relevant to the research question (Flick, 2009). In line with the explanation given, the thesis adopted a data-driven approach during the first stage of the open coding activity. The researcher was within this approach seen to have generated the codes as he read through the transcripts. See ‘Appendix five’ for an identification of the open codes created and their meanings. For the second stage, the classification and grouping of codes created were done with consideration of the emerging questions generated for this thesis.

- *Categorisation*

Categorisation (axial coding) is defined as ‘the process of relating subcategories to a category’ (Strauss and Corbin, 1990). It is a complex process of inductive and deductive thinking involving several steps (Flick, 2009). In this process, the grouping of the codes in the earlier coding

activities are categorised on the basis of the sub-research questions. Two stages of categorisation were seen to have been used for this thesis.

The first stage focused on separating the innovation process across the two activities performed by the entrepreneurs towards innovating. They are: financing of innovation and physical production of innovation. The second stage of categorisation focused on the entrepreneurs' collaborations with the actors towards innovating and institutions that guided the interactions that the entrepreneurs had with actors towards innovating.

A tabular representation of this categorisation step is seen in Table 3.1 below.

Table 3.1: Table showing the categorisation step in the analysis process

	1 st stage of categorisation	2 nd stage of categorisation
Innovation activity	Financing of innovation	Interactions used by entrepreneur towards financing innovation
		Institutions guiding the interactions used towards financing innovation
	Physical production of innovation	Interactions used by entrepreneur towards physically producing innovation
		Institutions guiding the interactions used towards physically producing

		innovation
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- *Case narratives*

Case narratives as a step to analysis are means by which the researcher gathers, analyses and represents a narrator's stories as told by them (Flick, 2009; Etherington & Bridges, 2011). In addition to the narrator's stories, they also include some of the researcher's part in that conversation in order to be transparent about the relational nature of the research and the ways in which the stories are shaped through dialogue and co-construction (Gerring, 2006). They are also seen to provide a reflexive layer with regard to the researcher's positioning (Flick, 2009 and added9, Gerring, 2006). As a result, case narratives focus on both the content of stories (which highlights a narrator's description of what the events are) and the meaning of the stories (which emphasises the researcher's interpretation of why those events occurred) (Etherington, 2004, Etherington and Bridges, 2011).

For this thesis, the narratives written were four in number. Each narrative was representative of the number of cases considered. The narratives were written with consideration of data from both interviews and documents. In line with the arguments given above, each narrative was seen to contain a description of the narrator's opinion regarding the activities performed towards ensuring innovation and a reflexive account by the researcher regarding the institutions that were used by the entrepreneurs, why they

made use of such institutions and how they came by the decision to use such institutions.

- *Cross-case synthesis*

Cross-case synthesis is a technique that compares the findings that were generated as a result of the analysis of the individual cases (Yin, 2003). This is a step that happens after the case narratives have allowed the researcher to identify findings unique to each case. As a result, it is most associated with case study designs that incorporate multiple cases (Creswell, 2007, Gerring, 2006). The application of this technique improves the robustness of the findings (as when compared to designs that incorporate single cases).

The enablement of the cross-case synthesis was done with consideration of answering the sub-research questions that were associated with the thesis. As the sub-research questions focused on finding out the specific institutions that were used by the entrepreneurs towards ensuring innovation and also how the entrepreneurs reached the decision to make use of such institutions, the cross-case synthesis was argued to be grouped around:

- a. identifying the specific institutions that were used by all the entrepreneurs to guide their interactions with actors to finance and physically produce their film projects.
- b. identifying the factors that influenced the decisions made by the entrepreneurs to use certain specific institutions towards financing and physically producing their film projects.

3.8. Research Quality

Ascertaining the quality of any research being done is an important part of the research design or methodology process (Bryman, 2012). A focus on the quality allows the researcher to determine how accurate and repeatable the research is (Denscombe, 2014, Gray, 2013). Four tests are commonly adopted by researchers who use the case study strategy towards ascertaining the quality of research (Gerring, 2006, Stake, 1995, Yin, 2003): the test for construct validity, the test for internal validity, the test for external validity and the test for repeatability. However, in qualitative case studies where there is very little focus on identifying causation between variables, the test for internal validity is not used (Yin, 2003).

3.8.1. Construct validity

Construct validity is defined as a test that focuses on ensuring the accuracy and integrity of findings and conclusions from a research study (Creswell, 2007). As a result, the test is argued to focus on ascertaining whether the correct operational measures are being used in a piece of research (Bryman, 2012, Yin, 2003). This focus on using the appropriate operational measures allows a researcher to avoid the use of measures that originate from their pre-conceived notions (Flyvbjerg, 2011, Yin, 2003). Three different tactics have been identified to be used by researchers towards testing for construct validity (Yin, 2003): the use of multiple sources of evidence to create converging arguments, the use of a chain of evidence and the provision of a case study report to key informants or external auditors (Yin, 2003).

For this thesis, two tactics were used to ensure the accuracy of the findings generated. The first tactic involved the use of multiple sources of evidence. Multiple sources of evidence are used in case study research to increase the quality attached to the research and to also create 'converging lines of inquiry' (Yin, 2003). Their use exists to ensure the triangulation of data methods or perceptions to improve the quality of the findings attached to the case study (Yin, 2003). Within the thesis, to ensure the generation of findings which were deemed to be accurate, the triangulation types used in the research were data triangulation and theory triangulation. Data triangulation which involves corroborating data from multiple sources of evidence such as interviews and documents (newspaper articles and unpublished reports) (Patton, 2002), allowed the researcher to fill gaps of information that were not initially covered during interviews. As the innovation had occurred in the past, newspaper articles about the entrepreneurs' particular innovation and previous interview transcripts of the entrepreneurs' allowed the researcher to fill information gaps and in some cases correlate the information that was gathered during the interviews undertaken. Theory triangulation on the other hand, involves corroborating data regarding a particular phenomenon from multiple individuals (Patton, 2002). This multiplicity of individuals brings about the possibility of multiple realities concerning a particular phenomenon. In certain cases, it allows the researcher to create an understanding of why a particular participant has a particular perspective (Yin, 2003). For this thesis, the perspectives of the entrepreneurs were also corroborated with perspectives from key informants

(such as industry experts, banks, government officials, etc.). In most cases, these multiple perspectives allowed the researcher to develop an understanding of some of the perspectives that the entrepreneurs had. An example highlighting the impact of this type of triangulation was the information provided by an industry expert which provided an explanation as to why most of the entrepreneurs in the film industry perceived the regulations of banks as being rigid.

The second tactic for ensuring construct validity involved the provision of the case study report. This in essence means providing each of the informants with a draft of case narratives and the findings generated from the analysis of each case (Yin, 2003). According to Schatzman and Strauss (1973), this tactic allows the participants to corroborate the findings and the evidence presented in each case narrative (Schatzman and Strauss, 1973). For this thesis, the application of this tactic occurred in the form of the researcher providing copies of drafts of the case narratives and the findings generated from each narrative to both the entrepreneurs and the key informants (interview participants) involved in the entrepreneurs' cases. The provision of this draft to the interview participants allowed them to confirm whether their perspectives were accurately relayed in the case narratives. It also allowed the interview participants to present arguments in scenarios where their perspectives did not converge with the findings generated from each of the cases. These arguments were useful as the researcher either had to make corrections in scenarios where the perspectives of the interviewees were represented or provide explanations as to why the findings

generated did not converge with the perspective of the participants involved in the cases.

3.8.2. Reliability

Reliability is a test that is concerned with whether the results a researcher gets from a research study can be repeated if the same study following the same process were to be done by someone else (Bryman, 2012, Creswell, 2007). Common tactics for ensuring the reliability of the research include: the use of a case study protocol which documents all the processes involved in the collection of data within the case and also the development of a case study database (Yin, 2003). This test is also important to ensure that researchers reduce the bias and error associated with their studies (Yin, 2003).

To ensure the reliability of the findings generated in this thesis, the researcher provided both the case study protocol used and case study database which contained all the information that the researcher used during the research. The case study protocol is the first tactic used to improve reliability. It provides information regarding what problem the research sought to deal with, how that problem was converted into questions, what framework guided the answering of such questions, what type of data was needed towards answering such questions and how such data would be analysed (Creswell, 2007, Yin, 2003). Towards providing this, the case study protocol used for this thesis was split into four sections.

Section 1 included a draft containing a brief description of the research, the research aim, the main research question and the emerging research questions this thesis focused on answering.

Section 2 included a draft containing the data collection plan, a list of the participants involved in the data collection process (*see Appendix 1*), what roles they performed in the data collection process (*see Appendix 1*), the introduction letter sent to each participant (*see Appendix 2*) and the ethics form (*see Appendix 3*).

Section 3 included a draft containing the interview questions (*see Appendix 4*).

Section 4 included a draft containing how the interview data was analysed with it detailing some of the stages involved in analysis (*see Appendix 5*).

The second tactic involved the creation of a case study database towards organising and documenting the data that was collected for each case (Yin, 2003). The case study database as pointed out by Yin (2003) provides a compilation of all the data that was used during the case study. This data, it is argued, can be obtained from audio recordings of interviews, field notes and documents. To ensure the creation of a database for this thesis, all the audio recordings of the interviews were transferred from the audio recorder to a compact disc. This procedure was also repeated for the transcripts of audio recordings. In addition to this, the field notes which highlighted the researcher's thought process during interview collection, the researcher's

observations from interviews and other jottings were clearly written down and stored in a folder dedicated to the individual cases. In addition to this, the printed out versions of all the documents used to build up the case narratives and expand the researcher's knowledge of the Nigerian film industry were stored in a separate dedicated folder. Finally, the website addresses of these documents were all typed and saved on a separate compact disc.

3.8.3. *External validity*

External validity is a test that is concerned with measuring to what extent findings from research can be applicable in a wider context (Bryman, 2012). In other words, it is a test focused on measuring how generalizable the findings from a piece of research are (Flick, 2009; Strauss & Corbin, 1990). This emphasis on generalizability is however argued to clash with the focus of qualitative research which is on a sample of participants who meet a certain criteria (Flick, 2009). Thus, to improve the generalizability of research, it has been advised that researchers provide a 'thick description' of the culture of the individuals who fit their sample criteria (Creswell, 2007, Strauss and Corbin, 1990). This provision it is believed, allows readers to judge about the transferability of the findings generated from the research (Strauss and Corbin, 1990).

To achieve this, the researcher provided two chapters (chapters 4 and 5) which clearly discussed the context of the Nigerian film industry, the concept of introduction in the Nigerian film industry, actors that existed within the Nigerian film industry innovation system, the nature of linkages present in the Nigerian film industry innovation system and the institutions guiding the

interactions between actors within the Nigerian film industry innovation system. The provision of this description it is believed, allows any reader to ascertain whether the findings generated from the research can be transferred to other industry or national innovation systems.

3.9. Methodological Limitations

The fieldwork did pose some limitations. Two major limitations were identified in this research. The first limitation relates to the issue of gaining multiple access to a single participant. The outcome of the analysis process led to the identification of emerging trends which were believed to be important for improving the quality of the research. As a result, there was a need for the researcher to go back to access some of the participants that he had initially interviewed. This proved to be quite a difficult task as the researcher had returned to the United Kingdom and could only do phone interviews. For the participants who agreed to be interviewed for a second time, the dependence on phone interviews proved inadequate as the absence of the face-to-face medium led to the participants giving very brief answers. Due to the inconvenience of having to interview them again, the researcher in some interviews could not probe on certain answers as he did not want to agitate the participants. This led to some interview transcripts being less complete than others.

The second major limitation which occurred during data collection was related to the access to some international participants. This proved to be a limitation as the researcher did not expect that international actors would be used by some of the entrepreneurs in their interactions towards

implementing innovation. Some of these international participants could not be accessed. For those who could be, they were not willing to share as much information as the researcher would have liked.

Towards mitigating some of the effects of these limitations, the researcher made extensive use of secondary data to fill the missing spaces. However, the researcher still felt that knowing in advance some of the issues that manifested during analysis and having full access to all the participants would have improved the robustness of the data.

3.10. Conclusion

On the basis of the nature of the research question, the methodology used for this thesis comprised of the adoption of a qualitative case study strategy to ensure the collection and analysis of the data collected. The choice of this strategy was done in consideration of the emerging questions that were generated from the literature review chapter. While there were methodological limitations which came up during data collection, the researcher was seen to have put specific emphasis on ensuring that both the accuracy and repeatability attached to the thesis were adequately dealt with.

CHAPTER FOUR

4. THE NIGERIAN FILM INDUSTRY INNOVATION SYSTEM

4.1. Introduction

This chapter aims to provide an introduction to the conceptualisation of innovation within the Nigerian film industry. From this conceptualisation, it also aims to be able to identify and give a critical description regarding the structure of the Nigerian film industry innovation system.

To achieve this, the chapter is split into four sections. Section 4.2 reviews the literature concerning innovation in the film industry. As the context of this thesis is focused on the Nigerian film industry, section 4.3 commences by providing a description of the Nigerian film industry. This description enables the identification of a starting point which will be used in analysing the concept of innovation in the Nigerian film industry. From this analysis, section 4.4 is able to provide a critical description of the Nigerian film industry innovation system. Section 4.5 finally concludes the chapter.

4.2. Innovation in the film industry

The film industry has been identified as an industry that is a 'poster child' for innovation (Pratt and Gornostaeva, 2009). This identification has been largely due to the recent pervasiveness of the digitisation concept within the film industry (Pratt and Gornostaeva, 2009, Belton, 2002, DCMS, 2002, MPAA, 2015). The introduction of digitisation has led to things which were deemed previously impossible (such as shooting aerial views of images with hover cameras and the introduction of CGI into live movies) being possible

and actually achievable (MPAA, 2015). Despite this assertion of digitisation, varying perspectives regarding the conceptualisation of innovation in the film industry are seen to exist in the literature (Miles and Lawrence, 2008). In addition to the perspective that focuses on the product technical quality of a film project, there are also perspectives that focus on soft characteristics of the product (Stoneman, 2008). Characteristics such as its content (Lampel et al., 2000), artistic properties (Stoneman, 2008) and genre (Mezias and Mezias, 2000) constitute where the focus of innovation is within this perspective. Thus, within this perspective, innovation in the film industry has been operationalised as genre/content-based innovation (Caves, 2000, Mezias and Mezias, 2000).

Researchers adopting this perspective view innovation as constituting of introducing creative efforts that strike consumers as being unusually distinctive, new and productive in opening new genres (Caves, 2000). Notable studies that have advocated for this perspective include the works by Caves (2000), Mezias and Mezias (2000), Delmestri et al. (2005) and Perretti and Negro (2007). To these studies, innovation in the film industry is defined as the introduction into a market of a new film project that offers a genre or content classification that is significantly different from what previously existed in the market (Delmestri et al., 2005, Lampel et al., 2000, Mezias and Mezias, 2000, Perretti and Negro, 2007). Despite its perceived importance, this perspective has not gained as much traction in the innovation literature as it is not driven by technology. Rather, it is seen that when referring to innovation in the film industry, a vast majority of studies

tend to emphasize on the importance of technological advancements and the nature of the influence they have on the production of film projects.

Technological advancements expand the creative potential of film-makers as they broaden the toolset available to the film-maker from which he/she can make decisions on which equipment and techniques are best suited to a given production (Piccirillo, 2012). Advancements such as the introduction of smaller, cost-effective digital cameras, the provision of digitized backgrounds and the introduction of CGI to film productions have made it possible for film-makers to not only shoot scenes in tight spaces (thereby emphasizing improved flexibility) but to also provide images that were not previously possible (MPAA, 2015, WIPO, 2014).

By adopting such conceptualisation, innovation in the film industry can be defined as the introduction of digital technology to the production of film projects (Belton, 2002, DCMS, 2002). Typically, the focus behind this conceptualisation of innovation is on finding ways to reduce the costs attached to the production of films while also offering a similar level of quality as the previous options available (MPAA, 2015). This focus is reminiscent of Porter's (1990) emphasis on the lower-cost strategy which points to an innovation being a new product that was produced at a lower cost than an earlier product but still offered the same level of quality. Notable studies that have adopted this conceptualisation include the work by Belton (2002), DCMS (2002) and Pratt and Gornostaeva (2009) among others. Examples leading to the introduction of innovation under this perspective include the

first time use of cheaper high-resolution digital cameras to shoot films (rather than analogue 35mm cameras) (MPAA, 2015) and the use of digital software to do special effects and create computer generated imagery (Pratt and Gornostaeva, 2009, Belton, 2002, DCMS, 2002).

4.3. General Overview of the Nigerian film industry

The Nigerian film industry is focused on the production, distribution and exhibition of feature length films in Nigeria (Chowdhury et al., 2008). Over the last twenty years, it has gained significance in Nigeria from both an economic and a cultural perspective (OBG, 2015). This is argued to be because it is viewed as an important tool used by potential non-Nigerian investors to familiarise themselves with Nigerian culture (Chowdhury et al., 2008).

Domestically, it is the second largest private employer of labour in Nigeria with estimated statistics showing the industry being responsible for over one million jobs in the country (Arewa, 2012, Barnard and Tuomi, 2008, Chowdhury et al., 2008, NBS, 2014). The industry is also claimed to be worth between US\$200 million-US\$500 million depending on the source of evidence used (OBG, 2015). This argument is based on the rationale of over 100 million copies of films (largely video/CD) having been sold in Nigeria at about \$4 per copy since 1992¹¹ (Ebewo, 2007). In terms of economic impact, the Nigerian film industry is responsible for the second largest value of exports after the oil sector and it also currently contributes about 1.5% (with

¹¹ 1992 was when the Nigerian film industry obtained recognition as a full-fledged industry in Nigeria

inclusion of the music industry) to the Nigerian gross domestic product (GDP) (NBS, 2014). Internationally, the Nigerian film industry is depicted to be the second largest film industry in the world in terms of annual productions with estimates of over 1500 films being produced yearly (Arewa, 2012, UIS, 2009). That is about an average of 20-30 films produced weekly. However, unlike the Indian film industry and the American film industry which both produce for cinema, the majority of the productions seen in the Nigerian film industry are for straight-to-video¹² (or home) consumption (UIS, 2009).

The Nigerian film industry is argued to be divided into two separate eras¹³ (Ebewo, 2007): they are the pre-video era and the Nollywood era (Uzo and Mair, 2011). While the notion of innovation used for this thesis has taken Nollywood as the starting point of the Nigerian film industry, the next section in giving a description of Nollywood adopts a historical approach towards understanding the Nigerian film industry.

4.3.1. Description of the Nigerian film industry

The introduction of films to Nigeria came in August 1903 when British colonialists in collaboration with the Balboa film company of Spain introduced the film medium to an audience assembled in Lagos (Ebewo, 2007, Udomisor and Sonuga, 2012). These films focused on furthering British

¹² Straight-to-video consumption represents a phenomenon where films are produced to be sold immediately in DVD and VCD format. This is different from the common approach of producing films and having them go to cinemas before then being considered for DVD consumption (Chowdhury et al., 2008).

¹³

colonialist propaganda and exposing Nigerians to topics such as hygiene and farming techniques (Haynes, 2011). However, it was not until after independence in 1960 that Nigerian production companies such as Latola films (founded in 1962) and Calpeny Nigeria Limited (founded in 1970) were established (Ebewo, 2007). In addition to both production companies, members of the Nigerian theatre community promoted film culture (Ebewo, 2007). Films produced by these indigenous film makers focused on both the culture and history of Nigeria and to some extent, morality and politics (Akpabio, 2003). These films were also shot on celluloid film (16mm and 35mm) with the intention of being exhibited in cinemas (Haynes, 2011, Haynes and Okome, 1998). The production of cinema-based films by this group of indigenous filmmakers occurred until the early 90s when a change in policy caused by the implementation of the structural adjustment policies and the impact of the indigenisation decree instituted by the government significantly weakened the value of the naira (Adesokan, 2006). The impact of these policies coupled with the increased level of insecurity for cinema-goers crippled the cinema-based Nigerian film industry and led to its subsequent closure (Haynes, 2011). The closure of the cinema-based film industry coupled with the increasing diffusion of video cassette recorders in Nigerian households led the way for the re-invention of the industry with new characteristics focused on production of films on video cassettes (Ebewo, 2007). This new industry was termed Nollywood.

Nollywood is seen as the most visible template of feature length films coming out from both Nigeria and Africa (UIS, 2009). The term 'Nollywood'

has been argued by academics to not only refer to the video production of films in Nigeria but to also include both the distribution and marketing of films via video marketers¹⁴ (distributors) in Nigeria (Arewa, 2012, Haynes, 2007). Further characterising Nollywood is the inclusion of the unauthorised distribution of films¹⁵, the very fast production time and speedy turnaround time from production to the film reaching the consumer (Arewa, 2012). Although it is difficult to verify as a result of the dearth of reliable statistics, production of a typical Nollywood film is usually within the range of US\$15000-US\$50000 (Arewa, 2012, Barnard and Tuomi, 2008, Chowdhury et al., 2008, Haynes, 2007, Haynes, 2011). The majority of Nollywood films are argued to be produced between seven to fourteen days with post-production completed after an extra seven days (Arewa, 2012; Haynes, 2011). Thus, a typical Nollywood film may be produced and packaged for distribution in as little as twenty-one days with a few hitting the one month mark (Arewa, 2012).

With respect to the nature of content or themes seen in a vast majority of Nollywood films, it is pointed out that there is a focus on spirituality, domestic issues, sex and romance and finance related issues (Akpabio, 2003, McCall, 2004). These themes have however been used time and time again and is often the reason for the predictability associated with many Nollywood storylines (Akpabio, 2003).

¹⁴ Video marketers are agents who run the distribution stage of the Nigerian film industry value chain. They are the ones to whom the producers give their produced films to sell.

¹⁵ Unauthorised distribution of films refers to distributing films without the permission of the producer of the films.

Unlike in other film-making nations, the shooting of films in Nollywood started with the use of analogue video cameras¹⁶ (Ebewo, 2007). But as analogue video cameras began to phase out and digital cameras began to be used, the majority of Nollywood films are currently shot using lower-end or lower-resolution digital cameras¹⁷ which are cheap to acquire (Arewa, 2012). This however has been pointed out to have an adverse effect on the image-quality of the films produced¹⁸ (Arewa, 2012, Barnard and Tuomi, 2008, Ebewo, 2007). The choice of low-resolution cameras can be tied to financial restrictions faced by producers and also the belief that most of the consumers of Nollywood film projects are not sophisticated enough to require high image-quality films (Barnard and Tuomi, 2008).

4.3.2. Innovation in the Nigerian film industry

Using the analogy by Porter (1990), innovation is a tool which private organisations use to gain competitive advantage over each other. As was previously shown, this can occur through private organisations in the film industry introducing a film project whose content characterisation is totally different from what existed previously (Caves, 2000) or by them introducing a film project which has the same level of technical characteristics as previously produced film projects, but is cheaper to produce (MPAA, 2015).

¹⁶ These analogue video cameras are not the same as analogue 35mm cameras.

¹⁷ Lower-resolution digital cameras are cameras that shoot in lower image dimensions as regards pixel size.

¹⁸ This trend of using digital cameras is seen to be different from the definition of innovation which focuses on reducing the costs but offering a similar or higher level of quality as the previous output.

An emphasis on introducing a new product which is cheaper to produce whilst still offering the same level of technical quality as the previously existing product points to a starting point for the film industry being a product which is high in both technical quality and cost of production. This starting point cannot however be seen to be the same for the Nigerian film industry. From its description, the starting point of the Nigerian film industry focused on introducing a product that was both low in technical quality and cost of production (Arewa, 2012, Haynes and Okome, 1998). As a result of this, the lower-cost strategy which is used for conceptualising innovation in the film industry cannot be used in the Nigerian film industry context. Rather, to gain competitive advantage, some private organisations in the Nigerian film industry have been seen to adopt a strategy which seeks to differentiate their products from existing Nollywood products (AfricanVoices, 2015, Axmaker, 2014, Bisschoff, 2015, Corrigan, 2013, Disu, 2015). It is pointed out that this differentiation-based strategy focuses on the improvement of the quality of film projects by increasing the cost attached to film production (Haynes, 2014). This differentiation-based strategy is argued to be representative of the notion of innovation in the Nigerian film industry.

Due to this argument, innovation in the Nigerian film industry is defined as the introduction of a new product whose technical characteristics and cost of production are much higher than existed during the Nollywood era.

4.4. Nigerian film industry innovation system

The film industry is a sector that can potentially improve the productivity and competitiveness associated with the Nigerian context. As a result, a

structural description of its innovation system can be achieved by adopting the description of a sectoral innovation system approach. According to Malerba (2002), a sectoral innovation system is defined as “*a set of new and established products for specific uses and the set of agents carrying out market and non-market interactions for the creation, production and sale of these products*”. The concept of the SIS is argued to be based on 4 building blocks: knowledge and technology, demand, components and institutions (Malerba, 2002, Malerba, 2005).

The creation of the structure of the Nigerian film industry innovation system is built on evidence from secondary data (newspaper articles) about the Nigerian film industry, evidence from key informants and articles about the Nigerian context. It can be deduced from these sources of evidence that the actors present within the Nigerian film industry innovation systems include: producers, government, technical specialists (cinematographer, special effects manager, equipment supplier), cinema distributors, and consumers. The institutions present in the Nigerian film industry innovation system include: copyright law, contract law, and kinship. The linkages within the Nigerian film industry innovation system comprise: acquisition of knowledge and technology, vertical innovation co-operation and horizontal innovation co-operation.

By using the categorisation of building blocks proposed by Malerba (2002), the section below focuses on presenting a structural description of the elements present within the Nigerian film industry innovation system.

4.4.1. Knowledge base and technology

The knowledge base and technology present in the Nigerian film industry innovation system is argued to have evolved with the distinct eras that existed within the industry.

For the pre-video era (1960-1992), it is implied that the knowledge base in the Nigerian film industry was similar with what existed across other film industries around the world (Ebewo, 2007). This was so as the actors who produced films were individuals who were trained professionally (either within the country or outside) (Ebewo, 2007, Udomisor and Sonuga, 2012). These actors from their training were particular about using technologies and equipment (such as 35mm cameras) that were used by other international producers towards producing their films (Adesokan, 2006). Also tied to this requirement, was the fact that almost every film that was produced by these actors was exhibited in cinemas- where the specifications attached to the image-resolution associated with cinemas would have made the films unwatchable if they were of lesser production standard (Uzo and Mair, 2014). With the introduction of both the indigenization and structural adjustment policies in Nigeria (and its constituent outcomes), most of the actors that existed in the pre-video era found it increasingly difficult to produce films profitably (Barnard and Tuomi, 2008, Haynes, 2011). This led to a regression of the cinema culture within the Nigerian film industry. However, as there was still demand for Nigerian films, a new business model (which replaced the cinematic business model) was introduced by a new set of actors (Haynes and Okome, 1998). Unlike the first generation actors who were professionally

trained in the art of film production, a vast majority of the new actors were individuals who were either professionally trained as TV producers or had no professional training at all (Haynes and Okome, 1998). As a result of this, there was very little emphasis placed on the production of film projects that were of international standard. Rather, the profit-driven focus led to the depiction of the image-quality associated with Nigerian films to be lower quality (Arewa, 2011).

This knowledge base was dominant in the Nigerian film industry until 2004 when the re-entry of cinemas (and its constituent focus on high image-quality film projects) resulted in the demand for actors who could produce films that were shot using high resolution cameras towards achieving a high image-quality (Haynes, 2011). A common characteristic associated with these actors was the acquisition of training and skills from either film training institutes (such as the National film institute) or international film academies (such as the New York Film academy). This emphasis on the procurement of skills and knowledge towards achieving the production of film projects depicted to be high in image-quality and of an international standard is argued to be representative of the knowledge base focus within the Nigerian film industry innovation system.

4.4.2. Demand conditions

Home demand has been argued to play a large role in getting a private organization to innovate (Porter, 1990). This is especially true in the Nigerian film industry where there is a positive correlation between the increase in the population of the middle-class in Nigeria and the increase in the production

of film projects that are depicted as being high in image-quality (and to some extent, different in product characterisation) (Haynes, 2014, Vourlias, 2014).

With a population figure of over 150million people, it is argued that the size of the Nigerian market is large enough to account for the success of the Nigerian film industry (Haynes, 2011, Arewa, 2011). Supporting this, is that fact that with a dominant market segment (which comprised largely of individuals who spent less than \$2 a day¹⁹) in Nigeria, the Nollywood concept and its constituent characteristics was able to grow from its humble beginnings in 1990 to being the third largest film industry in the world (Barnard and Tuomi, 2008, Oh, 2014). Audience characteristics within this market segment included: the preference of films that were adjudged to be of low quality, the preference of content (centred on melodrama and other typical Nigerian themes) and the absence of a benchmark criteria towards judging the quality of films produced (Esan, 2008).

Despite the dominance of the low-income segment in Nigeria, there has been a steady rise in the number of people who fall within the middle-class segment²⁰ in Nigeria (Fiorini et al., 2013, Khan, 2015). Currently, there are about 4.1million people who fall within the middle class threshold in Nigeria (AFDB, 2011, Khan, 2015). It is estimated that this value which represents about 11% of the population in Nigeria will rise to about 7.6 million within the

¹⁹ Low income segment

²⁰ This segment according to the 2011 AFDB report comprises households that live between \$2-20 daily and also spend at least half of their income on goods and services just beyond food and basic necessities

next 16 years (thus signalling an increasingly large market) (Khan, 2015). Unlike the Nollywood-focused low-income segment which give priority to films that are depicted as being low in image-quality and also static in content and genre characterization, the kinds of films produced for the middle class segment are reflective of their personal preferences. According to Esan (2008), audiences within this segment tend to be more educated and more travelled. As a result of this exposure, their criteria of what constitutes a good film is similar to what is seen in developed film making nations (Esan, 2008). Thus, they tend to be more critical and are seen to prefer to view films that have been produced at standards similar to what is seen internationally. These standards which result in a specification for cinema-based films are argued to represent the pre-requisite for an innovative film project in the Nigerian film industry.

4.4.3. Actors

The actors identified are individual agents (producers, cinematographers), and organisations that perform roles to ensure the creation of film projects that are high in image-quality (as when compared to Nollywood film projects).

- *Producers*

In contrast with Nollywood producers (who produce strictly for straight-to-video consumption), the producers depicted as being important for innovation in the Nigerian film industry are called 'new Nollywood' producers (Axmaker, 2014, Baobab, 2014, Bisschoff, 2015, Corrigan, 2013, Haynes, 2014, Hoad, 2012, Joyner, 2014, Rice, 2012, Vourlias, 2014). Unlike the Nollywood producers, these '*new Nollywood*' producers focus on producing

films that are high in quality (Haynes, 2014, Hoad, 2012, Rice, 2012). Quality in this regard refers to higher image standards (Corrigan, 2013, Rice, 2012). Film projects that are created by these producers are associated with quality which can survive the aesthetic and technical challenges of being projected in cinemas rather than being released immediately for video exhibition (Haynes, 2014). Evidence supporting this argument is seen in the statement:

“There’s an emerging class of Nigerian filmmaker”. They don’t want their films to just go out on DVD into the market, like they traditionally have, but they want to do the festival circuit, internationally. They want to get academy award nominations. They want the world’s vision of Africa to be quite different. And they are working tirelessly, in terms of the aesthetic and the quality of their films, to try to raise the bar”²¹

Certain characteristics define producers that fall within this ‘new Nollywood’ classification. In the first place, to attain such image-quality specifications, these producers make use of either high-resolution digital cameras (such as the red-one or Alexa) or the 35mm celluloid camera to shoot their film projects (Axmaker, 2014, Baobab, 2014, Bisschoff, 2015, Sunday, 2010). In addition to this image-quality focus, some producers within this classification also focus on crafting new cinematic experiences (by introducing new genres) for their audiences (Disu, 2015, Ekenyerengozi, 2015). Evidence supporting this argument is seen in the quotation below:

²¹<http://www.ibtimes.co.uk/new-nollywood-future-worlds-second-largest-film-industry-1442857>

“Young film directors like Abba Makama, Walter Banga and CJ Obasi, are crafting new cinematic experiences for their audiences, which are a world away from standard fare of tales of love and witchcraft. This is a new kind of Nollywood”²²

- *Government*

The government in Nigeria has been argued to perform a variety of roles to ensure the implementation of innovation in the film industry (Economist, 2006, Oyewole, 2014). Notable among these roles include, the provision of financing through proxy agencies (such as NEXIM Bank or Bank of Industry) to aid skill acquisition and improve production quality in the Nigerian film industry (NAN, 2015, Odunmorayo, 2015, ProjectACT, 2013), the creation of policies (MOPICON) that introduce best practices to many aspects of film making (OBG, 2015) and the promotion of policies that attract collaborations with foreign productions (Oyewole, 2014). Supporting this argument is the position taken by NEXIM Bank which highlights its roles of providing finance to prospective producers in the film industry and also working with other agencies to encourage capacity building in the Nigerian film industry. As *pointed out by Tom:*

- *“Essentially, our role one is to provide lending for those eligible according to the laid down criteria and secondary to partner with the*

²²<http://trueafrica.co/article/a-spaghetti-western-style-thriller-welcome-to-new-nollywood>

members of the associations and guilds in the aspect of capacity building” FA1: Ln 37- 39

Further evidence supporting this argument, is seen in the statement by the Ministry of Finance on its project for the Nigerian film industry.

“Project ACT has 3 long-term goals: improve the quality of Nigerian film content. To achieve these goals, ACT set desired outcomes such as: improve the skills in the film industry; increase investment in Nigerian films; improve the quality of laws, regulation and policies that support the film industry”²³

- *Technical specialists*

The technical specialists consist of cinematographers, special effects managers and equipment providers who perform specific roles to ensure the physical production of a film project that is high in image-quality. These specialists interact with the producers to shoot images to a high quality specification, provide special effects such as computer-generated imagery to images already shot and provide high resolution cameras for shooting the images needed for the film project respectively (Happenings, 2015).

With the corresponding image-quality accompanying cinema images, most cinematographers, special effects managers and equipment providers in Nigeria are expected to be specialist-trained (either through a mentoring

²³<http://www.projectnollywood.com.ng/documents/67916917dc02ffb173e8b9c3f20355f7d>
documents.pdf

system or a formal schooling system) towards acquiring the requisite skills needed to perform their respective roles (Ekenyerengozi, 2015).

- *Cinema distributors*

Cinema distributors are organisations that are charged with the distribution of theatrical films to cinemas (Chowdhury et al., 2008, Haynes, 2014). The cinema distributors present within the Nigerian film industry include: Silverbird Distributions, Blue Picture Limited, Genesis Deluxe Distributions and Film-one Distributions. As they serve as the connection between the production companies and the cinemas, these cinema distributors are argued to serve as standardisation gatekeepers whose role in innovation is to ensure that the film projects they distribute are produced to a very high standard of production (BluePicturesLtd, 2015). Supporting this argument is the position taken by a cinema distributor on the role they perform to ensure the creation of film projects that are perceived to be high in image-quality.

According to Patty:

“When the film comes to me, I first of all review the movie to check what I look out for which is the storyline, picture quality, the sound, the entertainment value and the marketing value in it. So, if it checks my requirement, the next thing is to set another meeting with the producer” DA1: Ln 85-87

Further evidence supporting this argument is also seen in the statement by a cinema distributor:

“Metro pictures aims to change the distribution game across Africa for the best by focusing on movies that represent the best interest of Africa. Our movies must meet a high standard of production. We are changing the rules from the old ways of doing things, and bringing about a new dawn in movie distribution across Africa”²⁴

- **Consumers**

The consumers of high-quality film projects in the Nigerian environment are argued to consist of citizens who fall within the middle-class in the Nigerian environment (Haynes, 2014, Rice, 2012). These consumers also act as information providers who the producers need to ascertain what genre of film will be perceived as being new within the Nigerian environment or what level of image-quality will be seen as being similar to what is being seen in American films (Sunday, 2010, Vourlias, 2014). Evidence supporting this argument, is seen in the statement:

“The rapid growth of Nollywood is largely a product of Nigeria’s economic expansion. As the African middle class continues to grow, demand for Nollywood will increase both domestically and internationally”²⁵

4.4.4. Institutions

Up until recently, the Nigerian film industry was argued to have operated without government intervention (McCall, 2004). As a result, there have not

²⁴ <http://blupicturesng.com/about.html>

²⁵ <http://globalriskinsights.com/2015/01/nigerias-nollywood-putting-hollywood-shame/>

been specific policies created by the government for the industry²⁶. Despite this, on the basis of the argument that the product created by the film industry is a copyright (WIPO, 2015) and agreements are reached among actors towards the creation of such product, institutions which have been identified as being important towards innovation within the Nigerian film industry include: copyright act, contract law, kinship and friendship.

- *Copyright Act*

A copyright as defined by the Black's Law dictionary is *"the right of literary property as recognized and sanctioned by positive law. An intangible incorporeal right granted*

by statute to the author or originator of certain literary or artistic production whereby he is vested for a limited period with the sale and exclusive privilege of multiplying copies of the same and publishing and selling them" (Faga and Ngozi, 2011). Copyrights unlike other intellectual property rights have received considerable attention in Nigeria (Nwokocha, 2012, Waziri, 2011). This is partly due to the impact of the entertainment industry (film, music, plays) in Nigeria (NBS, 2014).

In Nigeria, there is a copyright act which exists to guide the activities of actors that create or make use of literary or artistic intellectual property (Nwokocha, 2012, Ojukwu et al., 2015). The copyright act *"is an act to make provisions for the definition, protection, transfer, infringement of and remedy*

²⁶ The MOPICON bill until present has not been approved by Nigerian lawmakers. As a result, it has not been passed as a law.

and penalty thereof of the copyright in literary works, musical works, artistic works, cinematograph films, sound recordings, broadcast, and other ancillary matters” (WIPO, 2015). From this, the Copyright Act in Nigeria is seen to consist of both the law and the enforcement of the law. Despite the presence of a copyright law and provisions towards enabling enforcement, the Nigerian film industry has been argued to be synonymous with copyright infringement (Anthony and Chinedu, 2015, Faga and Ngozi, 2011, Tade and Akinleye, 2012). The major reason behind this perception has to do with the weakness attached to the enforcement of the copyright law in Nigeria (Anthony and Chinedu, 2015).

Enforcement of copyright law is defined as a *“process by which violations are investigated and a legal sanction is applied to the violator”* (Posner, 1998). The legal sanction may exist as civil remedies which stop the violator from further violations through injunctions or the provision of compensation to the rights holder (Ouma, 2006). It may also exist as criminal sanctions whereby a violator is either given a sentence or asked to pay a fine (Ouma, 2006). Thus, factors that result from the weakness in the enforcement of copyright law in Nigeria may be related to either the civil remedies or the criminal sanctions.

As regards civil remedies, these factors include the culture of the Nigerian environment and the lack of public awareness (Waziri, 2011), insufficient knowledge on the side of the right holders concerning their rights (Ojukwu et al., 2015), and the provision of punishment under the Copyright Act (Nwogu,

2014). With respect to the issue of culture within the Nigerian environment, it has been pointed out that due to the vastness and informality of Nigeria's internal market place where people are used to buying infringed copies of copyrights (Nwogu, 2014, Ouma, 2006), it is difficult for rights holders to continue to seek injunctions as most people who want to gain access to their copyrights are attuned to looking for pirated copies. These pirated copies are cheaper to access and probably offer the same level of quality as the original copy (Ojukwu et al., 2015). Furthermore, apart from a few, majority of the right holders have insufficient knowledge regarding what they have to do to protect their copyrights (Ojukwu et al., 2015, Ouma, 2006). There is vast evidence to support the claim that most copyright owners in Nigeria believe that once they have registered their copyrights then the protection of the copyright solely falls within the jurisdiction of the copyright commission (Ojukwu et al., 2015).

As regards criminal sanctions, these factors include corruption by officials of the Nigerian copyright commission (Nwogu, 2014, Ouma, 2006), the attitude of supporting enforcement agents (such as the police) towards copyright protection (Nwogu, 2014, Waziri, 2011), insufficient training and funding on the part of the enforcement agencies (Ojukwu et al., 2015) and the provision of punishment under the Copyright Act (Nwogu, 2014, Nwogu, 2015). With respect to the issue of corruption, it has been pointed out that some of officials (NCC and police) who are tasked with the duty of carrying out raids on infringed works are corrupt (Anthony and Chinedu, 2015, Nwogu, 2014). As some of these officials have private dealings with the

infringers, they sometimes are seen to deliberately refuse to locate the copyright infringers during raids (Nwogu, 2014, Nwogu, 2015). A major cause of this corruption by the officials can be tied to the low level of funding that both the copyright agencies and departments focused on copyright protection within the police receive from the government (Anthony and Chinedu, 2015, Ojukwu et al., 2015). Furthermore, it has also been seen that even in cases where these agencies perform their duty, the penalties on criminal infringement as provided under 'section 21 (2)'²⁷ of the Copyright Act is perceived as being quite lax (Nwogu, 2014, Ouma, 2006). This situation in most cases does not act as a deterrent to prospective infringers.

- *Contract Law*

A contract is defined as an agreement between two or more people that is enforceable by law (Keenan, 1997). It usually involves people agreeing to do or abstain from doing some acts, their intention being to create legal relations and not merely to exchange mutual promises (Alewo, 2012, Keenan, 1997). To ensure the enforcement of contract laws, efficient and transparent courts are expected to be present within an environment (DoingBusiness, 2015).

According to the 2015 Doing Business report focused on Nigeria, the process for enforcing contract law in Nigeria takes 509.8 days on average to complete. It also costs 57.7% of the value of the claim and requires 40.2

²⁷ Any person who: - (a) sells, rents, hires; or (b) offers for sale, rent or hire, any work in contravention of the prescription made pursuant to subsection (1) of this section, commits an offence and is liable on conviction to a fine not exceeding N100000 (£250) or imprisonment for a term not exceeding 12months or to both fine and imprisonment [1999 No. 42].

procedures (DoingBusiness, 2015). The implication of these statistics highlight the very long time and immense cost consideration attached to the enforcement of contract law in Nigeria. This time and cost consideration has the domino effect of creating a perception of weak enforcement of contract law within the Nigerian environment. Supporting this is the evidence from Transparency International. According to Transparency International, the value for the rule of law indicator in the Nigerian environment is -1.206²⁸. This value when measured against their rating system highlights a very weak perception of the rule of law (enforcement of contract law) in the Nigerian environment.

- *Kinship*

Kinship according to Abercrombie et al. (1980), is seen as the socially recognised tie between people in a culture who are either held to be biologically related or given the status of relatives by marriage, adoption or other rituals. It is a broad ranging term for all the ties that people are born into or create later in life that are considered binding in the eyes of their society (Abercrombie et al., 1980).

Kinship is present in the Nigerian film industry to ensure that producers can gain access to financial resources without the need to present contractual evidence of an agreement between a producer and his/her family members. Supporting this argument are articles²⁹³⁰ that highlight the

²⁸ Transparency international: <http://www.transparency.org/country#NGA> (Accessed 10th May 2015)

²⁹ <http://demassed.blogspot.co.uk/2013/11/nollywood-nigerian-film-industry.html>

importance of kinship towards producers gaining access to financial resources in the Nigerian film industry. As seen in an article focused on the Nigerian film industry:

“many filmmakers still finance their productions with funds gotten from family members”³¹

This presence of kinship in the Nigerian film industry is tied to the difficulty many producers have in gaining access to resources from formal channels such as banks and external investors³². This difficulty is further seen to be related to the dearth of structures (such as an auditable trail of revenue collection or a small number of cinemas) which make it hard for external resource providers to see how producers intend to generate revenue from films that they produce. Supporting this argument are positions from key informants in the film industry who point out that the reluctance they have in providing finance is related to the opaque nature and the lack of structure within the film industry. As highlighted by Tom (who is a banker):

“so like we said, we are not a charity organisation. We don’t just give money for the sake of giving money. We want to give money to the extent that we are to a large extent convinced that you will generate revenue. That is however, difficult in the film industry with its no structure problem.

³⁰<http://www.ethanzuckerman.com/blog/2010/07/27/either-you-make-films-or-make-excuses-ict-and-the-nigerian-film-industry>

³¹<http://www.voanews.com/content/red-carpet-president-jonathan-departure-worries-nollywood/2730344.html>

³² <http://www.ethanzuckerman.com/blog/2010/07/27/either-you-make-films-or-make-excuses-ict-and-the-nigerian-film-industry>

*As we don't know how much a film maker can earn or how he/she intends to generate his income, giving money has been almost impossible" FA1:
Ln 98-102*

This use of kinship within the Nigerian film industry is believed to be grounded on the premise of it being a determinant to social structure in the Nigerian environment (Smith, 2001). According to the study by Smith (2001), the general pattern of accessing social and economic resources across Nigeria is more invested in a system that privileges informal kinship-based ties with family members rather than the use of bureaucratic rules and regulations (such as contracts) (Chabal and Daloz, 1999). This system removes the need to use bureaucratic procedures like contracts and emphasises the strength of trust between family members to enable agreements to be reached (Smith, 2001).

▪ *Friendship*

Friendship can be defined as social ties between individuals who share common interests which thus allows them to do things together (Lazarsfeld and Merton, 1954). In most cases, these ties are built on the presence of mutual trust that the individuals have (Suttles, 1970). Friendship unlike kinship, is voluntary as the individuals involved are not restricted by social norms or expectations obliging them to relate to one another in prescribed ways (Paine, 1999).

Friendship is present in the Nigerian film industry to ensure that producers can gain access to both financial and non-financial resources

without the need to present contractual evidence of an agreement between the producer and other actors with whom the producer reaches agreement. This presence of friendship is however, argued to exist on the premise that the signing of contracts is a concept not widely accepted by most practitioners in the Nigerian film industry. So rather than signing contracts with individuals who they do not know, practitioners prefer to seek out individuals who they are familiar with to prevent the need to sign contracts. Supporting this argument are articles³³ which highlight the presence of friendship when actors within the Nigerian film industry reach agreements. *As seen in the Al-Jazeera article on the Nigerian film industry:*

“in a business that often relies on personal relationships and handshake agreements instead of auditable paper trails, the tighter regulations scared off marketers”

This disdain for signing contracts is believed to have occurred on the back of the fact that the video-marketers who controlled the Nigerian film industry for a long time shared a single ethnicity. These similar ethnic ties led to their preference of handshake agreements rather than contracts when doing business among each other. In subsequent agreements with other actors, these video marketers transferred this practice and were responsible for its wide diffusion across the Nigerian film industry. Supporting this position was the argument given by an industry expert who believed that the

³³ <http://america.aljazeera.com/multimedia/2014/12/nollywood-nigeriagroups.html>

shared ethnic ties of these video marketers led to them interpreting the use of contracts as a sign of mistrust between actors. *According to Leopold:*

“People to some extent interpret the signing of an agreement as a lack of trust” IE1: Ln 194-195

“You are putting that act on people that have lived on oral tradition for so many centuries and you don’t recognize that they are not there. Even the Nigerian customary law makes some forms of non-written agreements, so how do you implement that act in a setting where oral agreements are more predominant?” IE1: Ln 184-188

4.4.5. Linkages

From the nature of innovation in the Nigerian film industry, three linkage types are argued to be used by actors to ensure the introduction of innovation: vertical innovation co-operation, horizontal innovation co-operation and the acquisition of knowledge and technology.

- *Vertical innovation co-operation*

Most of the interactions which constitute vertical innovation co-operation between actors in the Nigerian film industry innovation system comprise the interaction between the producers and the consumers of innovative film projects and the interaction between the producers and the cinema distributors in Nigeria (BluePicturesLtd, 2015, Disu, 2015). While majority of the existing studies on the Nigerian national innovation system have pointed to the weakness in interaction between users and producers (Oyelaran-

Oyeyinka, 2001), the same cannot be said for the Nigerian film industry innovation system.

The Nigerian film industry innovation system with its focus on improving the quality of film projects produced and introducing new genres into the Nigerian film industry has been very dependent on its constant interactions with consumers of Nigerian films (Disu, 2015). Unlike in other industries, the consumers of innovative films in the Nigerian film industry comprise of individuals who mainly fall within the middle-class segment of citizens in the Nigerian environment (Axmaker, 2014, Baobab, 2014). As a result, these individuals have been exposed to watching film projects produced by international producers which tend to showcase very high levels of image-quality and also new novel genres which make the storylines unpredictable (Disu, 2015). Supporting this is the statement:

“Much as home videos have a market to sell to, we also have a rising market that wants more in terms of all the elements stated above and we intend to satisfy them”³⁴

Towards diverting the attention of these consumers from international film projects, most producers within the Nigerian film industry innovation system have to constantly interact with consumers to gauge what their quality and content preferences are.

³⁴ <https://teesdiary.wordpress.com/2011/05/11/we-are-not-nollywood-the-awakening/>

- *Horizontal innovation co-operation*

The presence of horizontal innovation co-operation as a linkage type within the Nigerian film industry innovation system is argued to exist in the form of the interaction between producers and the government. The purpose of this interaction is to get the government to provide finance for film projects (NAN, 2015, NeximBank, 2014), get the government to enforce existing laws on copyright and also get the government to introduce new laws which place a minimum requirement on the quality of film projects produced in the Nigerian environment (OBG, 2015).

Evidence from write-ups on the Nigerian film industry point to the strong nature of this linkage within the Nigerian film industry innovation system (Axmaker, 2014, Economist, 2006, ProjectACT, 2013). As most innovative film projects produced in the Nigerian film industry are high in cost, producers are seen as being hugely dependent on the government to provide finance through subsidised loans and grants which they use to produce their film projects (Oyewole, 2014, Rice, 2012, Ryan, 2010). Supporting this is a statement from an official of a government financing agency:

“Partnering with filmmaker Manny for the movie Dr Sam in the recent past, Saul said that funding the industry represents a significant commitment by the federal government in the creative segment of the economy. According to Saul then, the Nigerian creative and entertainment industry stimulation loan scheme is intended to address issues regarding the institutions of credible structures attracting

*investment in the development of content and infrastructure as well as improvement in production standards, distribution, marketing and exhibition standards'*³⁵

- *Acquisition of technology and knowledge*

The other type of linkage present within the Nigerian film industry innovation system is the acquisition of knowledge and technology. As the Nigerian film industry is a technology-user industry rather than a technology-generating industry (Miles and Green, 2008), it is argued that most of the interactions that go into the creation of an innovative film project are by way of acquiring (through renting, hiring or purchasing) the equipment and the innovation actors needed for the production of an innovative film project. Examples of interactions involving the acquisition of technology and knowledge include: producer-equipment-provider interaction, producer-cinematographer interaction and producer-special effects manager interaction

4.5. Conclusion

Arguments made in relation to the institutions present in the Nigerian film industry point to the identification of a context where formal institutions (either as a result of the obsolete nature of existing laws or the weakness associated with enforcing those laws) are deficient. The presence of these deficient institutions it is argued, will have certain implications as regards how the interactions between producers and other actors in the Nigerian film industry innovation system occurs when producing a film project that is deemed to be innovative.

³⁵ <http://www.neximbank.com.ng/nexim-bank-moves-to-synergise-creative-industry/>

Towards understanding this, the next chapter provides an analysis of how 4 different producers/entrepreneurs dealt with the deficient institutions present in the Nigerian film industry innovation system when creating their innovative film project.

CHAPTER FIVE

5. CASE NARRATIVES AND WITHIN-CASE ANALYSIS

5.1. Introduction

The aim of this chapter is to systematically present the case narratives and within-case analysis of each of the cases considered in this thesis. It starts by providing a detailed overview of the cases. It afterwards provided a detailed profile of the individual cases across the thesis. Within each individual case profile, an analytical process which first describes the activities that each entrepreneur undergoes towards ensuring the creation of his/her film project, and then provides a critical analysis of the institutions that were used by each entrepreneur towards ensuring the creation of his/her film project is implemented. The next section focuses on the case profiles of the four cases considered for this thesis. Each of these case profiles is first drafted out in the form of case narratives towards providing an outlet for analysing each of the cases.

Before commencing with the description of detailed case narratives however, it is important to provide an overview that provides a snapshot of each case.

5.2. Case Overview

There are four cases considered in this chapter. Each case comprises of the entrepreneurs and other actors that the entrepreneurs interacted with when innovating. As was explained in the previous chapter, the focus for each entrepreneur is on the creation and implementation of a film project that is

depicted as being high in image-quality. In addition to this, there are also differences that separate each of the entrepreneurs across the cases. These differences revolve around certain factors such as experience, location, and nature of interaction, etc.

Experience: For the entrepreneurs in the first and second cases, they both have years of experience in producing projects. However, the experience for the entrepreneur in the first case is associated with the production of documentaries rather than film projects which is seen with the entrepreneur in the second case. This experience is however different for the entrepreneurs in third and fourth cases³⁶ who are new to the activity of producing/creating projects and as a result, have no experience when it comes to producing film projects.

Location: The entrepreneurs in the second and third cases were seen to have recently migrated from the UK and USA respectively before starting their film projects. This recent migration is argued to have influenced their notion of what an innovative film project ought to look like, and who the most suitable actors would be towards ensuring that they were able to attain such goal. This trend was however different for the entrepreneurs in the first and the third cases who were argued to have been in Nigeria before reaching the decision to create their film projects.

³⁶ interestingly, despite a lack of experience, the entrepreneur in the fourth case was seen to have interacted with a director (who had a significant number of years of experience when it came to producing film projects).

Nature of interaction: When innovating, the entrepreneurs in the first, second and fourth cases were seen to have entered interactions with international actors in particular instances when physically producing their film projects. Such interactions were tied to their decision to travel to the respective countries of such international actors when reaching agreements. This activity was however different for the entrepreneur in the third case who interacted with only Nigerian actors.

5.3. Case Narratives

5.3.1. Case 1

- *Introduction to entrepreneur and enterprise*

Paul Dukes is the fifty-four-year-old chief executive officer of 'Grain Bolt Inc.', an independent TV/film production company which he founded in 1987 and still personally runs. Growing up in Kano³⁷ where going to cinemas was a favourite past-time activity, he had the opportunity to see lots of American, Indian, and Chinese films in the cinema which as a result built a love of cinema in him. This later played a part in his decision to study for a bachelor degree in dramatic arts with a specialisation in film and TV production from the University of Ife. After graduating, he worked as a stage actor. He also worked as an actor on programmes produced by the Nigerian television authority (NTA). His first stint at directing/producing was under the platform of the NTA where he served as an assistant director/producer for the soap opera 'Sparrow'. This was also the first time he was able to apply all the theoretical knowledge he had learnt about film-making from the university

³⁷ Kano is a location in the Northern part of Nigeria.

into practice. After a while, Paul felt he had learnt enough working for the NTA and made the decision to set up his own production enterprise.

Paul's enterprise, 'Grain Bot Inc.', was set up with a focus on the production of documentaries, commercials, and film projects that were high in image-quality. This period however coincided with the birth of the Nollywood era in the Nigerian film industry. The Nollywood era with its dominant video-marketer-centric distribution model made it very difficult for producers like Paul who wanted to produce high image-quality films to generate any significant revenue from their film projects. This and his number of years producing for the NTA led to his realisation that it would be financially difficult to make a profit from any film project he produced if he had to depend solely on video-marketers. As a result, for the next twenty years, Paul's enterprise focused its efforts on the production of documentaries and commercials. From these two activities, he was able to garner a reputation as a quality-oriented producer who made sure his documentaries and commercials were shot on very good production values.

▪ *Introduction to innovation*

In 2007, Paul made the decision to create a new film project 'Fiesta Rage'. The project was created in 2010 at a cost of about 100 million naira (£250000). It was also the first time Paul had created a film project at such enormous cost. This cost consideration was large in comparison with the majority of previous film projects produced in Nigeria which cost about

£15000³⁸ to produce. The reason for the high cost was due to the image-quality Paul hoped to achieve when creating his film project. Paul's focus on the image-quality was also due to his intention of having his film project shown in cinemas (which had a certain minimum image standard requirement) both in Nigeria and in the United Kingdom. Paul believed that his project was an innovation as it was the first time he was attempting to create something new (in terms of high image-quality) as compared to what previously existed in the Nigerian film industry.

When innovating, Paul interacted with his wife and church to gain extra access to finance needed to produce his film project. In addition to this, he also interacted with an equipment provider (The Camera House) to gain access to the 35mm camera he used to shoot his film project, a cinematographer (Luke Bass) to shoot the images required for his film project, a post-production outfit (Kodak) that performed the editing and special effects after his film project had been shot and finally a distributor (Cynthia) who acted both as a quality gatekeeper and distributed his film project to cinemas.

Having recognised the opportunity to create a film project for cinema exhibition, Paul knew he had to start focusing on conceptualising what his project would look like. After spending about two years writing the script, Paul in the year 2009 decided to commence the production of his film project

³⁸ Arewa (2012): The rise of Nollywood: Creators, Entrepreneurs and Pirates

'Fiesta Rage'. The implementation of this production process was dependent on his execution of both the financing and the physical production activity.

- **Financing of film project**

- ***Description of financing activity***

As regards finance, Paul was aware that based on specifications he intended to achieve for his project, the production of 'Fiesta Rage' was going to be a huge capital intensive project. To this end, he immediately began to seek out formal funding. His efforts with both the banks and the formal investors however proved unsuccessful as he could not meet up with the conditions (such as the presentation of a bankable business plan) that they attached to giving him a loan. The outcome as a result led Paul to the decision that he would have to access part of the funds he needed from his savings in order to get the production of his film project started. As a result of this, up to 50% of his budget which amounted to about £125000 came from his personal savings.

Towards accessing the remaining 50% of funds, he decided to interact with his family members and his friends from church. Paul sought out this interaction as he knew that in contrast with the conditions from banks, he would not have to present a business plan to convince his family members (and church friends) as regards his ability to pay back the loan he collected from them. Rather, he knew that by the virtue of the familial relationship he shared with his family members (and church friends), they would trust him on his word to pay back the loans when he could.

Thus, the success of Paul's interactions with family members (and church friends) when financing his film project was due to the trust based on kinship that existed between them.

- ***Institutional analysis of financing activity***

It is seen that for access to finance, Paul's use of kinship to guide his interactions with his wife and church was influenced by his inability to convince the banks as to his ability to successfully pay back the loans he required, and thus, his inability to interact with the banks.

As it was pointed out in the previous chapter, the Nigerian environment is one that comprises of deficient institutions such as a weakly enforced copyright law, an unfavourable company registration regulation, and a weakly enforced contract law among others. The influence of these institutions in the Nigerian environment means that there is a high tendency for contracts to be breached, for copyrights to be infringed upon, and for start-ups to operate within the informal sector.

On the other hand, the banking industry in Nigeria is one that has regulations that guide how banks operate. The presence of these regulations point to the identification of certain conditions which they abide by. These conditions include: the presentation of collateral that is almost similar in value as the loan intended to be collected, the payment of a specific interest rate on loans collected, and the provision of a business plan that is adjudged to be bankable (through the provision of forecasts and guarantees as regards the minimum amount of revenue that such project can generate over a

specified period). The influence of these regulations on the banking industry means that banks in Nigeria will only agree to do business with an individual only under the condition of the individual being able to provide a business plan that is adjudged to be bankable, being able to provide an acceptable collateral, and also agreeing to pay a specific interest rate on loans collected. Evidence supporting this is seen in the statement by Tom, who was a bank executive. *According to him:*

“Look, banks are business people too. We understand that the entrepreneur needs funds but the entrepreneur also needs to understand that we have certain requirements if you want to obtain a loan. These requirements are there so that we reduce the risk we face. It isn’t possible that you give a certain amount of money to someone without needing some form of guarantee that he will payback. That guarantee can be in the form of a collateral. So if he/she doesn’t pay back, we can seize the property and sell it to get our money back. That is how business is done.”

FA1: Ln 86-91

By the virtue of being an actor in the Nigerian environment, Paul was exposed to the institutional specificities within the Nigerian environment, and the influence that these institutional specificities had on the Nigerian film industry. The influence of these institutional specificities on the Nigerian film industry is that apart from portraying the film industry as one where there is a high tendency for actors to not only breach contractual agreements but also infringe upon copyrights, they also make it difficult for entrepreneurs (like

Paul) to be able to provide any guarantee or forecast as regards the minimum amount of revenue that he can generate from his film project.

Evidence supporting this is the statement by Paul. *According to Paul:*

- *“One of the problems that we have here is that of finance. You cannot fully blame the finance guys though because they have to make money. And in this industry, it is difficult to show the money being made. I mean piracy and the distributors make it hard to do that”.*

CS11: Ln 101-103

Thus, a possible interaction between Paul and the banks thus means a bringing together of the institutional specificities that are present in the Nigerian environment and the institutional specificities present in the banking industry. It is argued that such interaction pointed to disconnect existing in the interaction between Paul and the banks. This disconnect is argued to occur as the requirement by banks to see a business plan detailed with forecasts and guarantees of revenue to be generated will not be possible on the account of Paul's inability to provide such guarantees and forecasts.

This disconnect also allows for the creation of certain arguments. First of all, the institutional preferences of the banks do not point to them having a consideration of the institutional specificities that exist within the Nigerian environment. Secondly, this disconnect would have led to Paul realising that it would be difficult for him to have any sort of interaction with the banks (as he would not have been able to provide the guarantee and forecast that that they would have needed). Such inability to provide any paper-based

guarantee also implied that it would have been almost impossible for him to make use of contracts when accessing finance. This disconnect pointed to the presence of a situation for Paul regarding the difficulty to interact with the banks and also access finance. In addition to this, it would have also led to him realising that access to finance could only be possible in the event of him seeking interactions with actors who did require guarantees (but did not view the presence of paper-based guarantees- as seen in business plans, as a pre-requisite to providing loans). Institutions which would have been available for him to use in such instance include: kinship, friendship, and ethnicity among others.

It is seen that Paul gained access to finance by interacting with his family members (and thus making use of kinship) when financing his film project. While Paul has been a practitioner in the film industry for about 20 years, it is argued that his focus on production is largely towards documentary-making rather than the production of feature-length films. As a result, the majority of the relationships he has built and the reputation that he has amassed are with actors who operate in the documentary segment rather than the feature film segment. This means that with respect to feature film-making, Paul is no different from a nascent producer in terms of relationships with other feature film-making producers. It also means that he possesses neither a reputation of producing films that have generated revenue nor records of films that could have helped him convince his friends that he could generate revenue from his film project. Thus, his only option towards accessing finance would have been for him to seek interactions with

actors who would not require guarantee (especially gotten through evidence or reputation) as regards his ability to pay back the loans requested. Such requirement would have meant him interacting with his family members (and thus making use of kinship) when financing his film project.

As a result, Paul's decision to select the use of kinship in the presence of the situation relating to the difficulty in accessing finance from banks was seen to have been influenced by the experience he got from producing documentaries.

- **Physical production of film project**

- ***Description of physical production activity***

After accessing the finance needed for his film project, Paul then went ahead to start organising for the physical production of his film project. However, as he could not produce the film project entirely by himself, Paul knew that he would need to interact with a team of individuals who had the required skills needed to bring his film project to life.

Paul had during the conception of his script reached the conclusion that he would use a 35mm camera³⁹ to shoot his film project. His choice of the 35mm camera was because he felt that the camera despite the shift to high-resolution digital cameras by some international producers still produced images with the highest resolution available. On the basis of his work experience in the film industry, Paul knew that the outright purchase of a 35mm camera was a very expensive investment. As a result, he decided to

³⁹ The 35mm camera usually refers to a film camera which uses the 35mm format on 135mm film.

rent a 35mm camera to use for his film project. Paul's interest in looking for an equipment provider led to his decision to search for a company that offered a guarantee as to the reliability of its 35mm camera. Personally, he felt he could not get that from a Nigerian company and as a result focused on searching for an international company that rented out 35mm cameras. Paul ended up interacting with a US-based camera rental company 'The Camera House' and acquired the use of their 'Arri 535'⁴⁰ camera to shoot his film project. As Paul acquired the camera in the United States, the contract he signed with 'The Camera House' containing stipulations in renting the camera was subject to the contract law and enforcement mechanisms of the United States.

Before the production of his film project, Paul knew that no attempt had been made within the last fifteen years to shoot images using the 35mm camera in feature-length capacity in Nigeria. This was because doing that would involve using an enormous number of prints which no one company in Nigeria could provide. As such, he knew that he would have to find a specialised film print manufacturer who would be able to give him access to the large quantity he needed. To that end, Paul sought out the interaction of Kodak, an international print manufacturer and one of the most reputable film prints production companies to acquire the prints needed for his film project.

⁴⁰ The Arriflex 535 is a 35mm silent production camera that functions equally well as a studio or location camera for sync sound shooting. It is characterized by a compact and lightweight design and ideal both as a main camera or as a second unit with the advantage of being able to use the complete 535 accessory range. The light-weight and modular viewfinder system with an exceptionally bright image is the main feature of the camera.

The interaction between Paul and Kodak was only possible as a result of him having to go to the United States to have the contracts signed there. As a result of this, the contracts he signed were under the jurisdiction of the contract law and enforcement mechanisms in the United States.

After his interactions with both 'Kodak' to acquire prints and 'The Camera House' to acquire a camera, the next task for Paul was to get someone who could use both sets of equipment to shoot the images required for his film project. He needed a cinematographer who could work efficiently with both the 35mm camera and the prints. As a result, he knew he had to interact with a cinematographer who had significant experience in shooting feature-length film projects on a 35mm camera. This requirement removed the possibility of any interaction with a cinematographer in Nigeria as it had been a long time since any feature-length film project had been shot with a 35mm camera in Nigeria. Due to this, he extended his search to Los Angeles, California where the presence of Hollywood meant that there would be an abundance of skilled cinematographers who had significant experience working with the 35mm format. Paul's search for a skilled cinematographer led to him interacting with Luke Bass. Luke is a cinematographer who was highly recommended by representatives from 'The Camera House'. With over 55 film credits to his name (shot mostly on 35mm cameras), he had built a reputation as a good and experienced cinematographer known by a lot of camera rental companies in Los Angeles. The interaction between Paul and Luke was only possible because of the fact that Paul went to the United States to sign the contract with Luke. As a result of this, his interaction with

Luke was subject to the presence of contract law and enforcement mechanisms in the United States.

After ensuring the acquisition of his prints, camera and cinematographer, the last thing Paul had to do to ensure the physical production of his film project was to make sure that his images after being shot would be edited and would have the best available technical (special and visual) effects done to make them more realistic. To do this however, Paul knew he needed to interact with a post-production company that had specific skills in editing and doing post-production work on prints. With the usage of prints being scarce in Nigeria, Paul knew that he would have to rely predominantly on an international company to do the post-production work for his film project. Luckily for Paul, apart from the provision of prints, Kodak also had facilities at different locations around the world that specialised in doing post-production work on 35mm shot images. Thus, Paul's interaction with Kodak was not only in the provision of prints but also in the provision of special effects for his film project.

Paul and his team started working together towards ensuring the creation of the 'Fiesta Rage' film project in 2009 and were able to complete the production of the film project by mid-2010.

- ***Institutional analysis of physical production activity***

It is argued for physical production that Paul's use of contract law based in the USA to guide his interactions with the equipment providers and

cinematographer was influenced by the perceived weakness of contract law enforcement in Nigeria.

As was earlier implied in the previous chapter, one of the deficient institutions that is identified in the Nigerian environment is the weakly enforced contract law. The influence of this institution within the Nigerian environment means that there is a high tendency for contracts to be breached in Nigeria. Within the Nigerian film industry, the influence of this institution points to the argument that most actors are not afraid of punitive measures/sanctions levied against them if they breach contracts. Evidence supporting this position is seen in the argument presented by the Carla, an industry expert. According to her:

“The Nigerian film industry has been associated with being one where there is a high probability for contracts to be breached. I think it is something seen across a lot of industries in Nigeria” IE5: Ln 146-148

This institutional specificity in the Nigerian environment is however in contrast with what is present in the USA. The US environment unlike the Nigerian environment is one where contract laws are strongly enforced. This, it is argued, is because contract enforcement mechanisms (such as courts) are identified as being not only effective but also efficient and impartial when reaching judgments. Supporting this argument is evidence from the 2016 World Bank doing business report on the enforcement of contract law in the United States.

“According to data collected by Doing Business, contract enforcement takes 420 days and costs 30.5% of the value of the claim. Globally USA stands at 21 in the ranking of 189 economies on the ease of enforcing contracts”⁴¹

Such strong enforcement leads to a very low tendency for contractual agreements to be breached in the USA. Such low tendency, it is argued, is indicative of an example of the influence of institutional specificities in the USA.

Thus, a possible interaction between Paul and the international actors means a bringing together of these two different institutional specificities and their respective influences. Such bringing together would have led to the identification of a situation regarding where to sign the contracts when interacting with international actors. It also led to an outcome of options that were available to Paul towards interacting with the international actors. Such options would have included but not limited to: Paul agreeing to go over to the USA (where contract enforcement is strong) to sign the contracts with the international actors (as a way to give the international actors the impression of their contracts being adequately protected). It could have also included the international actors agreeing to come down to Nigeria (where contract enforcement is known to be weak) to sign their contracts with Paul towards physically producing his film project.

⁴¹www.doingbusiness.org/data/exploreeconomies/United-States/~/_media/giawb/doing%20business/documents/profiles/country/USA.pdf

It was seen that Paul travelled to the USA to sign the contracts with the international actors. He took this decision because he knew that the international actors would be sceptical of having to come down to Nigeria (with its reputation of weak law enforcement) to sign the contract. He believed that the international actors would feel more protected as they would view the signing of the contracts in the USA as making the enforcement subject to the USA legal system. It is argued that this information that Paul had as regards the scepticism that international actors would have as regards signing the contract in Nigeria, and the strategy of them feeling more protected if the contract was signed in the USA, was gotten from his previous experience of having worked with international actors when making documentaries in Nigeria.

As a result, his decision to have selected the use of a strategy that gave the impression of him using contract law in the USA rather than using contract law in Nigeria when physically producing his film project was influenced by the work experience that he got from having previously made documentaries in Nigeria. Evidence supporting this argument can be seen in the statement by Paul:

“The way we do business here is different from what is done in other climes. Having worked in this industry for such a long time, I know for a fact that copyright enforcement is much different when you compare what we see in Nigeria and in the USA. That was part of why I had to travel to the USA to sign the agreements there. I knew there was no way the guys

I wanted to work with would have agreed to come here to sign” CS 324-329

Thus, from this, it can be argued that Paul’s decision to make use of contract law that looked to be based in the USA when physically producing his film project, was influenced by the outcome of the interactions between the institutional specificities present in the Nigerian environment and the institutional specificities present in the USA environment creating options of institutions that he could use, and the work experience he got from making documentaries in Nigeria informing his judgement as to what particular institution he should select.

▪ *Conclusion*

Paul when innovating, dealt with the deficient institutions in Nigeria by making use of an informal institutions in his interaction with Nigerian actors when financing his film project. He was also seen to have made use of formal institutions (that looked to be external to the Nigerian environment) in his interaction with international actors when physically producing his film project.

His decision to make use of an informal institution was influenced by the outcome of the interaction between the institutional specificities that were present in the Nigerian environment and the institutional specificities present in the banking industry environment. This outcome pointed to the situation regarding the difficulty in accessing finance that Paul had to deal with. It also created choices of possible institutions he could use when financing his film

project. However, the decision of the choice he made was seen to have been influenced by the work experience that he got from producing documentaries in Nigeria.

On the other hand, his decision to use a formal institution (contract law in the USA) that looked to be external to the Nigerian environment when physically producing his film project was influenced by the outcome of interaction between the institutional specificities as regards the high tendency for contracts to be breached that was present in the Nigerian environment and the institutional specificities as regards the low tendency for contracts to be breached that was present in the US environment. This outcome led to the identification of a situation regarding where to sign the contract when interacting with international actors. His decision to select a particular option was however seen to have been influenced by the work experience he got from having produced documentaries in Nigeria.

5.3.2. Case 2

- *Introduction to entrepreneur and enterprise*

Samuel Lang is the forty-eight-year-old chief executive officer of 'Lego Works Inc.', an independent TV and film production company which he founded in 2009. He has at different points in his career been an actor, a production manager, a director and a producer. Samuel grew up during the early years of Nigerian cinema when quality and skill-set were a must for any producer. He also had the opportunity to see the film projects produced by the first set of Nigerian producers such as Robert Carlisle and Ryan Potts. His sojourn

into film-making started in 1986 while he was awaiting admission into the university. During that period, he was approached by the renowned producer 'Carlisle' and worked as an assistant and actor on set for Carlisle's production 'Stitch'. Samuel then afterwards acted on Carlisle's next two projects which were television productions. From 1993-2000 during the early years of the Nollywood video phenomenon, Samuel acted either as an actor or a production manager in about thirteen feature-length video film projects. This highlighted his significant work experience in the Nigerian film industry. However, having acted in so many film projects, he began to harbour dreams of focusing on the creative side of film-making. He realised he wanted to be a director. To enable this, he took a year out from his work to do a self-study programme where he read as many books as he could on film and TV production. He did this to build new skills that would enable him to become a better director. Between 2003 and 2007, he acted in capacity as a director in about ten television programmes. Having acted and managed so many Nollywood film projects, Samuel began to get tired of the continuous trend of low image-quality film projects that were being produced in Nollywood. This point which was around 2006 also coincided with the period he travelled to the UK.

His time in the UK exposed him to the commitment to good production values by producers there. This new exposure and commitment to good production values was a first for Samuel. As a result of this, his migration to the UK led to him being very appreciative of the need to produce film projects that were depicted as being high in image-quality. After working on set as a

camera-man in the United Kingdom for about three years, he began to entertain the idea of creating his own enterprise. His enterprise, 'Lego Works Inc.' was created in the UK in 2009. He also registered the enterprise as a Nigerian company with the Corporate Affairs Commission in Nigeria. His focus for this enterprise was to use the new knowledge gained from his migration to the UK to create film projects that were perceived to be high in image-quality. The 'River Dance' project was the first project created by his enterprise.

▪ *Introduction to innovation*

The 'River Dance' project was the first project that Samuel attempted to produce which could be depicted as being high in image-quality. He at that particular time believed that this project would also be breaking new image-quality boundaries in the Nigerian film industry as most other film projects created were depicted as being low in image-quality.

Samuel towards enabling the production of 'River Dance' interacted with his friend (to co-finance the film project), an equipment provider (to provide access to a RED camera), a cinematographer (to shoot his film project), a focus puller who also doubled as the post-production manager (to pull the focus of the shot images and add special effects to the final shot images) and a distributor- who acted as a gatekeeper (to distribute the film project to cinemas in Nigeria).

- **Financing of film project**

- ***Description of financing activity***

Despite being in the UK, Samuel had a fear that he would face stumbling blocks similar to the ones he had previously faced when he was in Nigeria regarding access to finance. The only set of investors he approached turned him down on the basis of the fact that his market consideration which had Nigeria occupy a significant portion had a reputation of having a film industry steeped in practices which made revenue generation difficult. With this being the only option available to Samuel for formal financing from the United Kingdom, he knew that part of his personal funds would go into financing his film project. However, the high cost still proved a bit too steep for him to bear. Samuel knew that he still had to get the remaining funds needed for the physical production of his project from some external source. His experience with formal investors suggested that this source had to be an individual or organisation that would not be particular about statistics or statements regarding how much revenue could be generated from his film project. It had to be someone that trusted him to payback the funds he was given.

To that end, Samuel approached his friend 'Theo Richards' who was also a producer and a director based in the UK as to the prospect of co-producing his film project. *According to Theo:*

"Samuel came to me sometime in 2010 to talk to me about working together on his movie. He explained the details and told me he needed someone to co-produce with him. This wasn't our first rodeo together, so I

knew that he was talking about me bringing in finance for the movie”

CS22: Ln 45-49

Samuel's interaction with Theo was only possible as a result of the friendship which existed between both of them. The presence of this friendship removed the need for Samuel to present to Theo records of forecasts on how the project was going to fare. It also removed the need by Samuel to make use of a contract to guide the interaction with Theo. Rather, he knew that Theo use their previous success in films they produced together as a consideration for guarantee that revenue could be generated from the film project.

- ***Institutional analysis of financing activity***

It is argued that Samuel's use of friendship to access finance for his film project occurred due his inability to interact with formal private investors (and as a result use contract law).

As was pointed out in the previous case, the influence that the institutional specificities have on the Nigerian environment include: presence of a high tendency for contracts to be breached, for copyrights to be infringed upon, and for many enterprises to operate in the informal sector. Within the Nigerian film industry, this influence has the impact of making it difficult for actors to present to formal private investors a bankable business plan which contained guarantees and forecasts of how much revenue they can generate from their film projects. Evidence supporting this is seen in the statement below:

“so that is part of the challenge we have in Nigeria. People are not being honest with figures. If you go to imdb and you google films, they will give you the record, they will give you countries and also numbers of screens that showed the movie but we don’t have this type of record in Nigeria. So that when we meet, some of use meet serious minded investors in a country like the UK or USA. They say oh I am sorry, yeah I have heard a lot about Nollywood but you have to back it up with statistics. If you can’t do this, then why would I put my money in an industry that I don’t understand?” CS21: Ln 445-451

In contrast to these deficient institutions in the Nigerian environment, the United Kingdom is an environment where institutions such as the copyright law and contract law are strongly enforced⁴². As a result of this, the influence of the institutional specificities in the UK point to the low tendency for contracts to be breached, the low tendency for copyrights to be infringed upon, and the high tendency of most enterprises to operate within the formal sector. The impact of these to the UK film industry also means that most financial actors in the UK expect to be provided with forecasts and

⁴² *“According to the rule of law indicator from transparency international, the UK was ranked in the 95% percentile regarding the extent to the strength of the quality of contract enforcement, property rights, the police and the courts. This placed it on a score of 1.769 out of 2.5”*

guarantees regarding the minimum amount of revenue that can be generated from the film projects of entrepreneurs that approached them.

Thus a possible interaction between Samuel and the formal investors from UK means a bringing together of the institutional specificities that are present in the Nigerian environment and the institutional specificities present in the UK environment. It is argued that an interaction between both institutional specificities would have pointed to a disconnect existing between both actors. Such disconnect would have occurred because the influence of the institutional specificities present in the Nigerian environment would have made it impossible for Samuel to be able to meet up with the condition of him being able to provide forecasts and guarantees of potential revenue generated to the formal private investors from the UK. The disconnect would also have led to the identification of a situation regarding the difficulty by Samuel to interact with the formal private investors, and thus, gain access to finance. It would also have led to his realisation that access to external finance for his film project would only be possible if he sought out an interaction with an actor who did not view his inability to provide paper-based guarantees or forecasts as a hindrance to providing finance. This implied that access to external finance would not be possible if he sought out an interaction using contracts. Rather, access to finance would be with actors who did not view the presentation of paper-based guarantees as a pre-requisite to agreeing to provide finance. Within the Nigerian environment, such interactions could mean the use of friendship, kinship, or ethnicity as institutions to guide his interactions with actors when accessing finance.

Samuel's choice of using friendship as an institution to guide this interaction with Theo (his friend) when accessing finance is argued to have been influenced by his work experience in the Nigerian film industry. Having operated in the Nigerian film industry for about two decades and after having worked with different directors and producers to create film projects, it can be argued that Samuel was able to build a track record of having successfully produced films that did well in the Nigerian market. Such track record also gave him a reputation as a good producer. He was thus able to leverage upon such reputation and track record to convince his friend 'Theo' that there was a strong potential of his film project being able to generate revenue in the Nigerian market. Evidence supporting this argument can be seen in the statement by Theo:

- *"Because I am also a producer, I understood what Samuel was going through. Most producers from Nigeria prefer to join heads to co-finance projects. That is the only way you can have the money you need. But to do that, you have to have made friends. Nobody will just agree to co-finance a project with you. It has to be your friend. It is better if you guys have worked together on projects before. In Samuel's case, we had worked on two earlier projects together"*
CS22: Ln 148-155

Thus, it can be concluded from this that Samuel's decision to use friendship to guide his interaction with Theo when financing his film project was influenced by the outcome of the interaction between the institutional

specificities present in the Nigerian environment and the institutional specificities present in the UK environment creating options of institutions that were available to him; and the experience he had from having worked in the Nigerian film industry providing information which guided his selection of a particular information out of the ones available.

- **Physical production of film project**

- ***Description of physical production activity***

After making finance available, Samuel decided to focus next on the physical production of his film project. However, as he could not produce the film project entirely by himself, he went ahead to create a project team consisting primarily of a cinematographer (Kim Spencer) who would shoot the images; an equipment provider (Tony Mank) who would provide access to the camera used to shoot the film project; and a focus puller (Wyatt) who would help in improving the focus of the image being shot. This focus puller also happened to be the post-production manager for his film project.

Prior to him approaching the cinematographer, Samuel knew he had to secure access to the equipment that would be used to shoot his film project. Knowing that he was going to need a high-resolution digital camera, Samuel then went ahead to secure the use of a 'red camera'⁴³ from his friend Tony Mank. Tony is the only officially recognised 'red camera' agent in Nigeria and as such is seen as the go-to person for producers' who want to shoot their film projects or documentaries on a high image-quality format.

⁴³ The red camera is a high-end digital video camera that shoots on 4K video resolution (content having horizontal resolution on the order of 4000pixels).

Samuel's interaction with Tony Mank was only possible as a result of the friendship they shared which guided their interaction. The presence of this friendship allowed Tony agree to renting his camera to Samuel without requesting for the presence of a contract detailing such agreement.

For the shooting of his film project, Samuel interacted with Kim spencer, a Polish cinematography student based in the UK. His reason for interacting with Kim was because she was trained and understood the nuances involved with shooting using a 'red camera'. His search for a cinematographer from the UK was because his search in Nigeria had revealed to him that there wasn't anyone in Nigeria who possessed the requisite experience needed to bring out the image-quality he expected for his film project. Samuel's interaction with Kim was only possible as a result of the fact that the contract Kim signed with him was done in the United Kingdom. As a result of this, the contract Samuel signed with Kim was subject to the contract law and enforcement mechanisms of the United Kingdom.

After hiring his cinematographer, another issue Samuel began to focus on was how he was going to make sure that the images that were shot were adequately pulled to improve their focus. Towards improving the focus of his film project, Samuel interacted with Wyatt Mahon, a producer and focus-puller based in the UK. His reason for interacting with Wyatt was because of the recommendation Wyatt had from Kim. In addition to pulling the focus of the images shot, Wyatt also acted as the post-production manager for Samuel's film project. Samuel's search for a focus-puller from the UK was

because his search in Nigeria had revealed that focus pulling was an activity not done in most Nigerian films. As a result, his chances of getting a Nigerian who could effectively pull the focus of the images shot for this film project was very slim. As with Kim, Samuel's interaction with Wyatt was only possible because Samuel signed the contract in the UK. This thus made the contract subject to the law and enforcement mechanisms in the UK.

Samuel wrapped up the physical production of his film project after three days of shooting in Nigeria and after that interacted with Metro Pictures Limited to ensure the distribution of his film project to Nigerian cinemas.

- ***Institutional analysis of physical production activity***

For physical production, it was seen that Samuel made use of contract law that looked to be specific to the UK when interacting with international actors. He was also seen to have made use of friendship when interacting with Tony Mank (who was a Nigerian actor). It can be argued that Samuel's decision to make use of contracts that were signed in the UK towards reaching an agreement with both Wyatt and Kim (international actors) was tied to the weakness associated with contract law enforcement in the Nigerian environment.

As was earlier indicated, the influence of the deficient institutions to the Nigerian environment led to the presence of a high tendency for contracts to be breached in the Nigerian environment. *According to Samuel:*

"What you are asking me, most Nigerians know. It is a general perception that the courts in Nigeria are corrupt. I cannot say about how slow they

are as I don't even bother. But you look at all the cases you hear about. You know these people are guilty but still you hear them been pronounced innocent. If it is not corruption, I don't know what it is. Knowing all these, most people will be very sceptical about doing any business that depends on contracts being signed. It's just too risky"

CS21: Ln 745-750

Contrasting this presence relating to the high tendency for contracts to be breached in the Nigerian environment, was the institutional specificities in the UK which pointed to the presence of laws that are strongly enforced. The influence of which led to the notion of a low tendency for contracts to be breached in the UK environment. Supporting this is evidence from the World Bank's Doing Business report on contract enforcement in the UK:

*"According to data collected by Doing Business, contract enforcement takes 437 days and costs 43.9% of the value of the claim. Globally, UK stands at 33 in the ranking of 189 economies on the ease of enforcing contracts"*⁴⁴

Thus, a possible interaction between Samuel and the international actors means a possible interaction between the institutional specificities that are present in the Nigerian environment and the institutional specificities in the UK environment. This possible interaction would have led to a disconnect as there was a difference in the strength of enforcement between both

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www.doingbusiness.org/data/exploreeconomies/~media/giawb/doing%20business/documents/profiles/country/GBR.pdf.

environments. This disconnect pointed to the presence of the situation regarding where the entrepreneur should sign the contract. The possible interaction would have also led to the identification of options as regards the possibility of Samuel and the international actors interacting. Key among these options includes: the option of the international actor agreeing to come over to Nigeria (where contract enforcement is weak) to sign the contract with Silas. It also includes the option of Silas deciding to go over to the United Kingdom to sign the contract which would have allayed the fears that the international actors had (and also showed an intention of him being serious about working with them).

Samuel was seen to have signed the contracts with the international actors in the UK when physically producing his film project. As a result, he made use of contract law that looked to be specific to the UK environment to guide his interactions with the international actors when physically producing his film project. His decision to go over to the UK to sign his contract is argued to have been influenced by the fact that he knew most international actors would be very sceptical about coming to Nigeria to sign a contract. He understood that this scepticism would be tied to the weakness attached to contract law enforcement in Nigeria. He also believed that the only way he could get to work with such actors was for him to show how serious he was in working with them. A way to do this was by agreeing to travel to the UK and sign the contract there. This he believed would provide the impression of the contract being enforced under UK law and allay their fears of him possibly breaching the contract. This knowledge regarding the scepticism

shown by international actors, Samuel had through having worked in the Nigerian film industry. It was also indicative of the influence that his work experience in the Nigerian film industry had. As a result of this, it can be argued that Samuel's decision to use contract law that looked to be specific to the UK, was influenced by his work experience within the Nigerian film industry. *Evidence supporting this is seen in the statement by Samuel:*

- *"I had no option, I had to sign those contracts in the UK. If I did not do that, there was no way Kim and the rest of them would have agreed to work with me. I understood their position though. I mean it is tough for even Nigerians, talkless of British people. Sign contracts with the fear that I can run. Even me, if I was British, I would not do that"* CS21: Ln 316-320

It is also seen that Samuel made use of friendship to guide his interaction with Tony. As regards his decision to use friendship to guide his interaction with Tony, it is argued that a possible interaction between Samuel and Tony meant that both actors shared similar institutional specificities as they came from the same environment. The outcome of such interaction would have also led to the identification of a situation regarding whether to sign or not sign a contract when interacting with Nigerian actors. This interaction it is argued, would have led to an outcome of options available to Samuel in his interaction with Tony. Among such options would have been his use of paper-based evidence (that was subject to enforcement by courts in Nigeria) as a means to provide a guarantee that he would comply with the terms seen

in a contract. This meant viewing Tony as a professional colleague and thus making use of contract law to guide the interactions between them. It could have also involved his use of verbal evidence (that was subject to enforcement by industry associations and peer groups in Nigeria) as a means to provide a guarantee that he would abide with the agreements reached between both of them. This however meant viewing Tony as a friend and thus making use of friendship (seen through handshake gestures) to guide the interactions between them.

It is seen that towards reaching an agreement with Tony, Samuel did not sign any contract and instead shook hands with Tony. Such gesture pointed to his use of friendship and consequently, his dependence on the enforcement by industry associations and peer groups within the Nigerian film industry to enforce the agreement reached between both of them. This choice occurred because Samuel knew Tony would feel more secure. It is argued that this greater feeling of security by Tony would have been tied to the fact that Samuel knew that both he and Tony would have to answer to the industry leaders in the case of either of them reneging on the agreement they reached with each other. While the signing of contracts (and thus, the use of a paper-based guarantee) would have subjected them to courts which could be both expensive and time consuming, the use of friendship would have resulted in him being immediately ostracized by the industry leaders and his peers. His knowledge of the repercussions he would face in the event of him reneging on the verbal agreement he reached with Tony is argued to be tied to his experience of having lived in the Nigerian

environment. He knew from this experience that such sanctions were not only limited to the Nigerian film industry but to every other industry which had associations. Supporting this argument is the statement from John- who was an industry expert.

“So the dynamics of the traditional Nigerian culture around reaching agreements is a bit distant from what is stipulated in the contract law as a way to reach agreements. The introduction of a paper-based arrangement is more Eurocentric and western and so from the outside, people are suspicious of it. You are putting a law on people who have lived on oral tradition for so many centuries. Like the Nigerian film industry, whether you are new or experienced, you should know that all those industry associations can implement serious punishment on you if you are found to have done something bad. IE1: Ln 179-186

Thus, it can be concluded that his decision to have given an impression of having made use contract law in the UK in his interaction with the international actors was influenced by the outcome of the interaction between the institutional specificities that were present in the Nigerian environment and the institutional specificities that were present in the UK environment; and the experience he got from working in the Nigerian film industry.

In addition to this, his decision to select friendship instead of contract law to guide his interaction with Tony (who was a Nigerian actor) was influenced by the outcome of the institutional similarities they shared as regards the

institutional specificities that are present in the Nigerian environment, and the experience he got from having lived in Nigeria.

▪ *Conclusion*

Samuel when innovating, dealt with the deficient institutions in the Nigerian environment by making use of informal institutions in his interaction with Nigerian actors when financing his film project. He was also seen to have made use of informal institutions in his interactions with Nigerian actors, and used a formal institution that looked to be external to the Nigerian environment in his interactions with international actors when physically producing his film project.

His decision to have made use of informal institutions when financing his film project was seen to have been partly influenced by the outcome of the interaction between the institutional specificities that were present in the Nigerian environment and the institutional specificities present in the UK environment. This outcome did not only point to the situation regarding the difficulty to access finance which he would have to deal with, but also created choices of possible institutions that could be used. However, the particular choice he selected was argued to have been influenced by his work experience in the Nigerian film industry.

On the other hand, his decision to have made use of informal institutions in his interaction with the Nigerian actor when physically producing his film project was seen to have been influenced by the outcome of the shared similarity that both actors had regarding the institutional specificities in the

Nigerian environment creating options of possible institutions that he could use in his interaction with the Nigerian actor. This outcome led to a situation of whether to sign or not sign a contract when interacting with a Nigerian actor. The particular option he selected was however seen to have been influenced by the experience he got from having lived in the Nigerian environment.

In addition to this, his decision to have made use of formal institutions (that looked to be external to the Nigerian environment) in his interactions with the international actors when physically producing his film project was seen to have been influenced by the outcome of the interaction between the institutional specificities that are present in the Nigerian environment and the institutional specificities that are present in the UK environment. This outcome led to a situation regarding where to sign the contract when interacting with an international actor. The particular option he selected was however seen to have been influenced by the experience he got from having worked in the Nigerian film industry.

5.3.3. Case 3

- *Introduction to Entrepreneur and enterprise*

Silas Hurt is the thirty-year-old chief executive officer of 'Exclusive Productions', an independent film production company he founded in 2010 and runs with his wife, Polly Smills. Silas is a graduate of creative arts from the University of Lagos. He also has a diploma in film directing from the Spencer Academy of Film Production.

Silas being young, had his first exposure of the Nigerian film concept from the Nollywood perspective which was dominant throughout the 1990s in Nigeria. As a result, he grew up watching films that were produced by low-resolution cameras to be watched on video cassette players. Like many young Nigerians, he had not seen any film project in the cinemas. As a result, he had no notion of a qualitative difference between Nollywood film projects and other film projects being shown around the world. This occurrence was so as the TV set which happened to be the major medium for viewing film projects during the period happened to have a limited image resolution. The implication of this was that any film project shot with a high-resolution camera would still have its image-quality dropped once it was viewed on the TV sets produced at the time. Apart from this quality notion, Silas's only exposure to film genres revolved around common Nigerian themes of spirituality, culture and romance-based themes.

For Silas, the change in perspective about film projects happened in 2005. This was as a result of the re-introduction of cinemas in Nigeria. Silas

found that going to cinemas exposed him to a totally different concept of what film projects should look like from an image-quality perspective. He realised that the image-quality of the film projects shown in the cinemas was much higher than what he had been used to seeing. In addition to this, he also found out that various genres were catered for by international film projects. This was much different from what was seen in Nollywood. On the basis of this, Silas decided to start an enterprise that would have a focus on producing film projects boasting high image-quality.

‘Exclusive Productions’ created in 2010, has a mission of ushering Nollywood into a new era of film production. On the basis of the fact that its consumer focus looks at markets within and outside Nigeria, the primary focus of the enterprise is to pursue the production of film projects that are deemed to be very similar in image-quality and content as international film projects. As a result, the enterprise is tagged as a ‘New Nollywood’ enterprise. Towards the aim of achieving its goals, the enterprise produced its first film project ‘Walking King’ in 2013.

▪ *Introduction to innovation*

In 2009, Silas made the decision to create a new film project ‘Walking King’. The film project was created and released in 2013. For Silas, the ‘Walking King’ project was his first official attempt at creating a feature-length film project. Due to his intention of having the film project exhibited in cinemas in Nigeria, the ‘Walking King’ project was expected to be high in image-quality. This image-quality specification was in reference to the existing Nollywood film projects that were still dominant within the Nigerian environment. Also

inclusive of this image-quality focus, the 'Walking King' film project had a totally different product characterisation as when compared to other product characterisations seen in earlier Nigerian film projects. This product characterisation saw the 'Walking King' project being produced under a new genre 'dark thriller'. This genre was depicted to be new as when compared to the other genres that were commonly used in the Nigerian film industry environment.

Silas towards creating the 'Walking King' project interacted with his wife and friends (to write the script), a cinematographer (to shoot the images), an equipment provider (to gain access to a camera), his wife's family (to fund the project), a post-production manager (to add special effects to the shot images) and a distributor (to distribute the project). Such interaction was important as it enabled him access to finance and to physically produce his film project.

- **Financing of film project**

- ***Description of financing activity***

The 'Walking King' script was written in 2010 and after completion of the script, Silas intended to go immediately into the physical production of the film project. He was however also aware that he would not be able to physically produce his film project without access to finance. Being someone who had very little work experience, Silas had little to no savings to oversee the commencement of his film project. He had entertained the thought of seeking for formal finance but had over the period heard entrepreneurs in the Nigerian film industry talk about how funding was the major problem they

faced. He was not sure of what to make of it as he had not previously produced any film and did not have any experience in the industry. Despite these limitations, Silas was still aware of the fact that his best chance at getting his film project financed was through seeking for formal finance. His attempt at seeking for formal finance from formal private investors however proved to be largely unsuccessful as he realised that he would not be able to provide to the investors any guarantee as to his ability to pay back on the loans. He understood that his inability to do this was tied to the lack of structure which and the high incidence of piracy which existed in the Nigerian film industry. As a result of this, he knew he would have to depend on an actor who would not be interested in the details as regards his ability to pay back the loans he needed.

This consideration led to him approaching his wife's family members and interacting with them towards financing his film project as he knew that they would not be interested in details about how he intended to pay back. This interaction with his wife's family members was only possible as a result of the kinship relations that he shared with them. He knew that he would not have to provide to them any physical evidence that showed how much revenue could potentially be generated from his film project. Rather, because they were family members, they were obligated to take his word and trust him to use the funds for what he intended to use it for.

- ***Institutional analysis of financing activity***

It is argued that Silas's use of kinship towards financing his film project was tied to his inability to convince the formal private investors (as regards his

ability to successfully pay back the loans he required) and consequently, make use of contract law.

As has been previously argued, the influence of the deficient institutions on the Nigerian environment means that there is a high tendency for contracts to be breached, a high tendency for copyrights to be infringed upon, and a high tendency for enterprises to operate within the informal sector. Going further, within the Nigerian film industry, the influence of these institutional specificities on the Nigerian film industry have the impact of making it difficult for entrepreneurs like Silas to be able to provide guarantees and forecasts regarding the minimum amount of revenue that could be generated from his film industry. This difficulty it is argued, is tied to the activities of video-marketers who are known to not comply with the company registration regulation, not comply with the copyright law, and also the contract law. Evidence to this argument is seen in the statement by Silas.

“Now let me tell you something about the industry. The guys who control it- the marketers, they don’t operate by any law. Nothing is legal in Alaba or Idumota. These guys don’t abide by any law. A typically marketer is running a shop built with wood and has inside millions of cds. Meanwhile, he is one of the main distributors of Nollywood movies in Nigeria. How do you ask someone like that for records? But at the same time, you cannot blame him. Have you seen the taxes that companies have to pay in Lagos? Especially Lagos. It is quite high. It is difficult to pay that when

you are not really making that much of a profit. But nobody wants to know

CS31: Ln 816-823

Despite being an actor in the Nigerian environment (and thus, an expectation to share the same situation), the environment of the banking industry has regulations (institutions) which guide how banks operate. As was pointed out in the first case, the presence of the regulations meant that the banks operated within the confines of certain conditions. These conditions included: the presentation of a collateral that was similar in value as the loan requested for, the payment of a specified interest rate on the loan requested for, and the provision of a business plan that showed how the revenue would be generated. These conditions it is argued, points to the institutional specificities that are present within the Nigerian banking industry. Supporting this argument as regards the institutional specificities that the formal private investors operate within is the statement by Peter, who is an executive with the film censors board. *According to him:*

- *“some of them complain finance, but if you don’t have a structure, no investor will invest. If the system is formalized, it is easy for you to get money from investors because they are business people. So, if an investor is going to give you money, what is the guarantee that he will get at least his money back. He needs to see your records, your business structure. Those things help in convincing him” GA1: Ln 343-347*

Thus, a possible interaction between Silas and the formal private investors can mean a bringing together of both the institutional specificities that exists in the Nigerian environment and the institutional specificities that exist in the banking industry. Such bringing together however points to the presence of a disconnect existing in the interaction between both actors. This disconnect it is argued exists, as the only possible way that banks can agree to interact with Silas (and as such, provide access to finance) is through him presenting a business plan that provides guarantees of revenues, realistic forecasts of cash flows, and records of the number of copies of the film projects that can be sold. These conditions when considered with the influence of the institutional specificities that Silas has to deal within the Nigerian environment means that the chances of the banks agreeing to interact with Silas (and thus provide access to finance to him) is very little. This points to the presence of a situation regarding the difficult to access finance when innovating. It also means that a possible interaction towards accessing finance can only occur in the event of Silas either seeking out an interaction with an actor who will require a guarantee that is not based on his ability to provide paper-based evidence. It can be implied from such requirement that a possible interaction towards accessing finance can only occur in the event of him not making use of contracts. As a result, institutional options that would have been available to him towards accessing finance included: the use of kinship, friendship, ethnicity, etc.

Silas was seen to have made use of kinship to guide his interaction with his wife's family members when financing his film project. Having been a

new producer in the Nigerian film industry, Silas would not have had any past records or reputation of successful film projects created (and as a result, records of revenue generated from past film projects). As a result, he would not have had the reputation that would have been needed to convince his friends (both within and outside the film industry) that he could generate significant revenue from the sales of his film project (and thus pay them back the loans he collected). This in-turn would have made it difficult for his friends to agree to providing the finance that he needed. By extension, it would have also reduced significantly his chances of using friendship when financing his film project. In the absence of this, his best chance at having his film project financed was to seek out interactions with actors who would not require any form of evidence or reputation as regards his ability to pay back the loans requested. As family members are more likely to provide access to finance solely on the basis of the word of the entrepreneur as a form of guarantee, it made sense that Silas consider an interaction with his family members towards accessing the finance he needed for his film project. Such ability to however provide access to finance on the basis of the entrepreneur's word occurs as a result of the trust which is built through kinship that existed between Silas and his family members. Thus, his decision to select the use of kinship out of options available when financing his film project would also have been influenced by his lack of work experience in the Nigerian film industry. Supporting this is the argument by Silas. *According to him*

- *"I had to go to my wife's family because I had no choice. It was not like I had been in the film industry for a while, so naturally, no one*

would have come to help me. I did not know a single person” CS31:

Ln 239-241

Thus, it can be concluded that Silas’s decision to make use of kinship when financing his film project was influenced by the outcome of the interaction between the institutional specificities present in the Nigerian environment and the institutional specificities present in the banking industry which provided options of institutions that were available to him; and his lack of work experience in the Nigerian film industry which influenced his decision to select a particular institution out of the options available.

- **Physical production of film project**

- ***Description of physical production activity***

After gaining access to funds to finance his project, Silas then focused on the physical production of his film project. He was aware of the fact that he did not possess the requisite skills needed to personally pursue every aspect of the physical production of his film project. He knew that he needed the interaction of individuals who possessed the specific skill-sets geared towards the goal of him physically producing his film project. To that end, Silas sought out an interaction with a cinematographer, an equipment provider and a special effects manager to ensure the physical production of his film project.

On the basis of the fact that he needed to have images of high quality produced for his film project, Silas knew that he had to interact with an equipment provider towards having access to the use of a high-resolution

digital camera. To this end, he met up with a former acquaintance of his, Justus, who owns a high-resolution digital camera. Silas was able to get from Justus access to use of a Canon 7D camera⁴⁵. The interaction between Silas and Justus was possible as a result of the friendship that existed between both of them. This friendship was important as it enabled Justus to hand over his camera to Silas without requesting for the presence of a contract to put into writing the arrangement which occurred between two of them.

Silas was also aware of the fact that despite the presence of a high-resolution camera, equally important to achieving his goal of creating a high image-quality picture was the presence of someone who was skilled enough to maximise the use of the camera effectively to shoot the images that were needed for his film project. Towards achieving this goal, Silas interacted with Andrew Nash, who is an upcoming cinematographer to shoot the images for his film project. Silas's decision to interact with Andrew was because he was referred by a mutual friend, Jackson. Silas's interaction with Andrew occurred as a result of the friendship that existed between the two of them. Having leveraged on the friendship that he had with Jackson, Silas was able to build a relationship with Andrew before requesting that they interact on his film project. This friendship was important as it enabled Andrew to agree to work with Silas without the presence of any contract to guide the agreement.

⁴⁵ The Canon EOS 7D camera is a high-end digital camera designed. It combines high performance, versatility and provides resolution for cinematic-style HD movies. Accessed from: http://www.canon.co.uk/for_home/product_finder/cameras/digital_slr/eos_7d/

After ensuring the acquisition of a camera and a cinematographer to shoot the images, Silas knew that ensuring the high image-quality output of his film project still involved making sure that the special effects used for his film project was of very high quality. To this end, he approached his friend Mitchell, who introduced him to Simon West. Simon is also an up and coming special effects creator who is virtually unknown in the Nigerian film industry. The interaction Silas had with Simon West occurred as a result of the friendship that existed between both of them. In a similar approach with Andrew, Silas sought to build a relationship first with Simon before agreeing to work with him.

Silas after his interaction with all the actors involved in his film project was able to physically produce his film project which he felt was significantly higher in image-quality than the typically produced Nollywood films and also very new in terms of the genre characterisation that the film project catered to. Silas also interacted with Metro pictures distribution limited to ensure the distribution of his film project to cinemas in Nigeria.

- ***Institutional analysis of the physical production activity***

For the physical production of his film project, it is argued that Silas's decision to use friendship occurred because of his refusal to sign contracts when interacting with actors in the Nigerian film industry.

As it has been previously argued, the influence of deficient institutions in the Nigerian environment points to the high tendency for contracts to be breached in Nigeria.

Thus, it is argued that a possible interaction between Silas and other actors from the Nigerian film industry who were involved in ensuring physical production points to both actors having shared similar institutional specificities. The outcome also led to the identification of a situation regarding the choice to either sign or not sign a contract. The outcome of sharing such similarity also means that Silas could have had an option to seek interactions with actors from the Nigerian environment with whom he was familiar with. He could have also had an option to seek interactions with actors with whom he shared no familiarity. A focus on interacting with actors that he is familiar with points to him seeking interactions with actors who may not be particular about the presence of a paper-based agreement (and may instead use a verbal-based agreement) when physically producing his film project. Such interaction could have led to him making use of friendship, kinship, or ethnicity. On the other hand, a focus on interacting with actors that he is not familiar with points to him seeking interactions with actors who will be particular about the presence of a paper-based agreement when physically producing his film project. Such interaction would have led to him making use of contract law in the Nigerian environment.

It was seen that Silas made use of friendship (and was dependent on the use of a verbal agreement) when physically producing his film project. This thus implying that he did not sign any contracts when physically producing his film project. It can be argued that his decision to make use friendship was tied to his knowledge that unlike the contract law in Nigeria whose enforcement is known to be quite weak, the enforcement of agreements

made on the basis of verbal arrangements seen between friends is quite strong in the Nigerian environment. This knowledge it is argued, would have been gotten from his experience of having lived in the Nigerian environment. Supporting this is a statement from Carla, who is an industry expert. According to her:

- *"I'm sure you have heard this from other guys, but the Nigerian film industry is a perfect example of an industry where people still hold on to the customary practices in Nigeria. Take for example this habit of not signing contracts. It is almost unheard of in an industry with international ambitions. But no, most of the practitioners here prefer not to sign it. Now what most people don't know is that the earlier guys who started the industry used handshakes not because they wanted to but because they knew that from customary tradition, it was easier to get someone to pay back money if there was fear that nobody else would agree to work with him/her" IE2: Ln 185-191*

Thus, it can be concluded that Silas's decision to make use of friendship in his interactions with Nigerian actors when physically producing his film project was influenced by the outcome of the shared similarity as regards the institutional specificities present in the Nigerian environment creation options of institutions that are available to him, and the experience he got from having lived in the Nigerian environment providing information that aided in his selection of a particular option out of the ones available.

▪ *Conclusion*

Silas when innovating, dealt with deficient institutions in the Nigerian environment by making use of informal institutions to guide his interactions with actors when financing and when physically producing his film project.

His decision to make use of informal institutions when financing his film project was argued to have been influenced by the outcome of the interaction between the institutional specificities that was present in the Nigerian environment and the institutional specificities that were present in the banking industry. This outcome led to the identification of the situation regarding the difficulty to access finance when innovating. It also created choices of possible institutions that he could use when financing his film project. The choice he selected was however seen to have been influenced by his lack of work experience in the Nigerian film industry.

On the other hand, his decision to make use of informal institutions in his interactions with Nigerian actors when physically producing his film project was argued to have been influenced by the outcome of the similarity shared as regards the institutional specificities relating to the high tendency for contracts to be breached that was present in the Nigerian film industry. This outcome led to the identification of a situation relating to the issue of whether to sign or not sign a contract. The outcome also created options of possible institutions that he could use when physically producing his film project. The option he selected was however seen to have been influenced by the experience that he got from having lived in the Nigerian environment.

5.3.4. Case 4

- *Introduction to entrepreneur and enterprise*

Kerry Lane is the thirty-four-year-old chief operating officer of 'LionHeart Media', an independent film and music production company founded by her father. Her father, 'Carlos Lane' was a well-known musician in Nigeria during the 80s. He was highly revered for his quality songs which gained a reputation around the world at the time. As a child of a famous musician, Kerry was constantly surrounded by creativity and grew up being passionate about music, movies and other forms of entertainment. After completing her MBA from a university in the United States, Kerry returned back to Nigeria to take charge of running her father's company. At that particular time, 'LionHeart Media' was only focused on the production of musical songs and as a result was seen primarily as a music production company. Her work in the company was focused on overseeing both the marketing and distribution of the songs that were being produced by her father.

The entry into production of film projects for Kerry happened a year after she started overseeing the operations of 'LionHeart Media'. Having been producing songs for almost forty years, her father Carlos realised that he had lost touch with the younger generation of consumers of musical songs in the Nigerian environment. Kerry felt that a way to regain some of this lost significance was for them to create some musical videos for the songs. However, after much deliberation, both she and her father reached the decision to shift their focus from creating musical videos to producing a film project which would have the songs performed in it. To do this, they also

knew that they would have to add a new focus to Carlos's enterprise. To that end, Kerry created a new division within 'LionHeart Media' which operated as an independent entity but still retained the 'LionHeart Media' name.

From the experience gained from her migration from the United States, Kerry had acquired an idea of what focus she wanted for this new division. She knew she wanted the film projects created by the division to show that Nigerian film projects could be created with an international standard of quality. Towards the aim of achieving its goals, the division produced its first film project 'Spring Touch' in 2010.

▪ *Introduction to innovation*

On the basis of the image-quality goals she intended to achieve, the 'Spring Touch' film project was seen to cost about \$1.8 million to produce. It was at the time argued to be the most expensive film project produced in Nigeria. This cost was seen to be enormous compared to the \$15000 that was used to produce the typical Nollywood film project. As a result of the cost, 'Spring Touch' possessed image-quality characteristics that were similar to film projects created in the United States. This also led to it being much higher in image-quality compared to Nollywood film projects. In addition to this quality notion of innovation, the project also possessed a different product characterisation. This product characterisation which existed in the form of a new genre 'musical romance' was also seen to be new as when compared to the typical genres that the Nigerian film industry focused upon.

Towards ensuring the creation of the 'Spring Touch' project, Kerry sought out interactions with her father (to finance the project), a director (to direct the film project), a cinematographer (to shoot the images), a post-production manager (to add special effects to the image after being shot), an equipment provider (to provide access to a camera) and a distributor (to act as a quality gatekeeper and distribute the film project to cinemas).

- **Financing of film project**
- ***Description of financing activity***

With the capital intensive nature of her film project, Kerry knew that the prospect of funding her film project by herself would be an enormous task. She had also heard from Tony, her director (and script writer) about the difficulties that other producers went through towards gaining access to finance to fund their film projects. Kerry attempted to gain access to finance from a bank in Nigeria but was unsuccessful in her attempt. As a result of this, she knew that the financing of her film project was largely going to come from her pocket. However, with the quality-oriented goals she set for herself, she knew that the act of solely funding her film project would be impossible as the budget was too high for her alone to bear. As a result of this, Kerry decided that an interaction with her father towards funding her film project would be the best way to go. She believed that since her father was aware of the constraints she was facing as regards access to formal finance, he would be open to the idea of providing the remaining funds needed to produce her film project. *According to Kerry:*

“I mean we were just fortunate. I mean we had the cash at hand. I didn’t have to go and get it. I mean it was just personal funding. My dad and myself” CS41: Ln 111-113

Her interaction with her father was only possible as a result of the kinship that existed between both of them. The presence of this negated the need for her to provide documents to convince her father as to the potential financial viability of the film project. It also led to her not needing to put forward any contract towards reaching an agreement with her father.

- ***Institutional analysis of financing activity***

It is argued that Kerry’s use of kinship when financing her film project occurred as a result of her inability to convince the banks in Nigeria of her ability to pay back on the loans that she would have needed.

As has been identified out in the previous cases, the influence of deficient institutions in the Nigerian environment has pointed to the high tendency for contracts to be breached, the high tendency for copyrights to be infringed upon, and the high tendency for enterprises to operate in the informal sector. Furthermore, the impact of these institutional specificities on the Nigerian film industry points to the difficulty that actors have in providing forecasts and guarantees of a minimum amount of revenue that can be generated from the film industry and also the difficulty in being able to present records of sales regarding copies of the film project that was produced. Supporting this argument is the statement from Kerry. According to her:

"I shouldn't have to use my personal funding for business. And that's the system that we have in Nigeria. Well, if you want to start up a business, typically you should get it from the bank and be able to pay back. I shouldn't have to get it from my personal pocket. That's what we have to deal with right now. You don't get the loan because of the conditions they attach to getting it. Those conditions are too much and not very favourable." CS41: Ln 112-116

In contrast to these institutional specificities which Kerry has to deal with in the Nigerian environment, the regulations of the banks in Nigeria result in them operating with conditions which include: the provision of a collateral that is almost similar in value as the loan intended for collection, the payment of a particular interest rate on the loans intended, and the presentation of a business plan that provides guarantees for minimum number and amount of sales, and forecasts of how much the film project could be generated. These conditions it is argued point to the institutional specificity that is unique to the banking industry. Supporting this argument regarding the institutional specificity which banks operated with was the statement by Prince, who was a bank executive. *According to him:*

"Let me give you an example. This new movie everybody is talking about, we funded part of it. Do you know what the producer had to do to get that funding? He had to show us agreements from cinemas and DVD distributors abroad that would distribute his movie. He used an international A-list actress to increase the pulling power of consumers to

the cinemas. Obviously, that made financial sense for us. Now we could see how money was going to be generated. With Kerry's movie, we could not see anything. She could not even give us a range of how much could be generated from Nigerian cinemas. Don't even get me started with the fact that she didn't plan to use the marketers" FA3: Ln 65-72

Thus, a possible interaction between Kerry and the banks implies an interaction of the institutional specificities that are present in the Nigerian environment and the institutional specificity that is present in the banking industry. This interaction it is argued, points to the presence of a disconnect existing between both these institutional specificities. Such disconnect would have occurred on the basis of the argument that there was very little chance of the banks agreeing to give out a loan to Kerry if they had to place into consideration her inability to provide guarantees and forecasts of how many copies of film projects would be sold or what the minimum amount of revenue her film project could generate. The disconnect would have also pointed to the presence of the situation relating to the difficulty in accessing finance when innovating. It also would have resulted in her realisation that the only way external finance could be attained was by seeking for an interaction with an actor who did not require the presence of a paper-based guarantee (seen in business plans) as a pre-requisite to providing the funds that was needed. Such condition also meant that external finance could be attained if the interaction were with actors who could make use of guarantees gotten from her word, her reputation, etc. It is argued that such

condition could have meant her making use of kinship, ethnicity, or friendship among other institutions available when financing her film project.

Kerry was seen to have interacted with her father to finance her film project. This also implied that she made use of the institution 'kinship' to finance her film project. It is argued that her decision to use kinship was because she did not have any other option than to seek an interaction with her father. Having been a new producer in the Nigerian film industry, Kerry had not operated in the industry long enough to build relationships with other producers who would have possibly agreed to co-finance her film project. This newness meant that she did not have any past records or reputation of successful film projects created, and revenue generated from film projects. This newness (and thus, lack of a reputation as regards past successes) would have made it difficult for her to convince her friends (and provide some sort of guarantee) that there was a chance of her being able to pay back the loan that she needed. This difficulty in having any possible interaction with both her friends and other Nigerian producers meant that it would have been impossible for her to make use of friendship as an institution to finance her film project. As a result of this, the only option that Kerry would have been left with was her seeking interactions with actors who would not require any form of guarantee (evidence or reputation) as regards her ability to pay back the loans she needed. It can be argued thus that Kerry's decision to have selected the use of kinship rather than friendship when financing her film project was influenced by her lack of work experience in the Nigerian film industry.

Thus, it can be concluded that Kerry's decision to make use of kinship when financing her film project was as a result of the outcome of the interaction between the institutional specificities present in the Nigerian environment and the institutional specificities in the banking industry creating options of institutions that were available for her to use; and information that resulted as a result of her lack of work experience in the Nigerian film industry informing her on what institution to select.

- **Physical production of film project**

- ***Description of physical production activity***

After gaining access to the majority of the funds that she needed, Kerry decided to focus on the physical production of the film project. As she had no prior experience in producing films, Kerry decided to interact with Tony towards directing her film project. Her interaction with Tony was only possible because of the friendship they both had. Tony was a family friend of Kerry's who had known them for a long time. As a result of this, he was not particular about having a contract signed which would show the detail of their interaction.

As this was a project that involved specific technical skills to ensure its physical production, they both decided that they would have to seek out interactions with actors who could ensure that the film project was produced. These actors were the cinematographer, the equipment provider and the special effects manager.

The first actor considered by both Kerry and Tony was the cinematographer who was going to ensure that the images for the film project were shot at a high quality. Kerry believed that as she was also considering an international release for her film project, she had to get a cinematographer who was very skilled and experienced with shooting with a high-resolution digital camera. Her discussion with Tony also revealed that to attain the image-quality requirement needed for the film project, the approach to take was to seek out an interaction with an international cinematographer who had significant experience shooting with a high-resolution digital camera. To achieve this goal of interacting with an international cinematographer, Tony decided to use his exposure in the United States to contact Chris Harpy- an Australian cinematographer and producer whom he had previously met. Kerry's interaction with Chris Harpy was only possible because she went to the United States to sign the contract which guided her interaction with him. As a result, the contract she signed with Chris was subject to US law and enforcement mechanisms.

With Chris present, Kerry and Tony went ahead to focus on achieving the next task in the production of her film project. This involved the acquisition of a high-resolution digital camera. On the basis of the input from Chris, Kerry acquired a 'Red one' camera from the 'Manrod' camera studio in Los Angeles to use for shooting her film project. As was seen with Chris, Kerry's interaction with Manrod was only possible because she was in the United States to sign the contract which guided the interaction between Manrod studio and herself. This thus meant that the agreement she reached with

Manrod studio was under the jurisdiction of US contract law and enforcement.

After her acquisition of both a camera and a cinematographer, Kerry knew that the next task to perform was making sure that the images when shot, would be edited and have quality special and visual effects added to them. This would ensure that the film project looked very realistic. Tony as a consequence of his time in the United States was more confident in interacting with an international special effects manager as he was sure of the level of experience and skill the manager would have. As a result, Tony advised that they seek an interaction with an international special effects manager. Towards reaching that goal, Tony sought out Linda Hulme to interact with them as the project's post-production and special effects manager. Tony being able to contact Linda was largely as a result of the fact that most of her past special effects jobs were done with Chris being the cinematographer. Just like in her interaction with both Chris and Manrod studios, Kerry's interaction with Linda was also because the contract guiding their interaction was signed in the United States.

Kerry and her team completed the production of the project in 2010. Towards releasing her film project to the cinemas, she interacted with Silverbird Distributions.

- ***Institutional analysis of physical production activity***

For the physical production of her film project, it is pointed out that Kerry gave the impression of having made use of contract law in the USA to guide

her interactions with the international actors and friendship to guide her interaction with her director.

As was argued in all the previous cases, the influence of the deficient institution-weakly enforced contract law in the Nigerian environment, pointed to the high tendency for contracts to be breached in Nigeria. Supporting this argument was the statement by Kerry where according to her, the corruption in the legal system is a factor that has led to the current status of affairs as regards contract law enforcement in Nigeria. *According to her:*

“The thing about being in Nigeria is that you hear of so many cases where corruption persists in the system and you think people are over-exaggerating things. More often than not, they don’t. My father had a case with the court where he sued someone for infringing on his copyright. I can tell you that the case has been in court for almost 2years. It is really crazy here. I mean how do you get anything done in such a system” CS41: Ln 345-250

The institutional specificity in the Nigerian environment is however in contrast with the one in the US environment. The USA as was pointed out in the first case is an environment possessing laws that are strongly enforced. As a result, an influence of the institutional specificities in the USA is the low tendency for contractual agreements to be breached.

As a result, a potential interaction between Kerry and the international actors implies a bringing together of the institutional specificity that is present in the Nigerian environment and the institutional specificity that is present in

the USA environment. The interaction between these institutional specificities would have however resulted in the manifestation of a situation regarding where to sign the contract. Such situation it is argued, would have occurred as a result of the difference in the strength of enforcement of contract laws across both environments. It would have also resulted in an outcome where Kerry realised that the options to an interaction could involve the international actors agreeing to come over to Nigeria to sign the contract. It could have also involved her going over to the USA (as a strategy to convince the international actors that she was serious about the interaction). This act would have given them the impression that the contract would be exclusively under the protection of the US legal system.

Kerry was seen to have gone over to the USA to sign all the contracts she had with the international actors (and as a result, made use of contract law in the USA) when physically producing her film project. It is argued that the decision behind Kerry making use of the contract law in the USA, was tied to the fact that she knew that there was no way that the international actors were ever going to agree to coming over to Nigeria to sign the contracts (with its reputation for having weak enforcement mechanisms). This knowledge was not however tied to her experience, but to that of her director whose significant work experience had led to him realising that most international actors were very sceptical about signing agreements in Nigeria (while knowing that there was very little protection that they could get from the Nigerian legal system). Supporting this was the statement from Theo. *According to him:*

- *“I made the decision for us to go over to the USA. It was easy because we were going there anyway to get most of the equipment we needed. But I also knew that it would be easier to convince some of the guys we wanted to work with if we were there. I have worked with some of these foreign guys and I know that they have some concerns about doing business in Nigeria” CS42: Ln 164-168*

In addition to this, a possible interaction with Tony towards directing her film project would have pointed to the similarities shared by both actors as regards the institutional specificities present in the Nigerian environment. This interaction it is argued, would have led to the manifestation of a situation regarding whether to sign or not sign a contract when interacting with a Nigerian actor. The first of signing a contract option may have involved her using paper-based evidence (that was subject to enforcement by courts in Nigeria) as a means to provide a guarantee that she would comply with the terms seen in a contract. This meant viewing Tony as a professional colleague and thus making use of contract law to guide the interactions between them. Another option may also have involved her using verbal evidence (that was subject to enforcement by industry associations and peer groups in Nigeria) as a means to provide a guarantee that he would abide with the agreements reached between both of them. This however meant viewing Tony as a friend and thus making use of friendship (seen through handshake gestures) to guide the interactions between them

Kerry was seen to have made use of friendship (and as result, did not sign a contract) with Tony when physically producing her film project. Her use of verbal evidence It is argued, was tied to her knowledge that while the enforcement of contracts was a time consuming and expensive process which did very little to deter the possible breach in agreements, the same could not be said for the enforcement of agreements based on handshake gestures reached between actors in Nigeria. She knew that industry leaders and peer groups were very quick to punish (either through ostracizing or blacklisting) actors that reneged on agreements within the Nigerian environment. Her knowledge of this it is argued, is tied to her having lived in Nigeria for a while. As a result, her knowledge of this, and consequently, her decision to select friendship rather than contract law when physically producing her film project was tied to the experience that she got from having lived in Nigeria. Supporting this was the argument by Kerry. According to her:

- *"No, I did not sign a contract with him. I thought of it, but we didn't take it forward. I think most people believe that the contract thing doesn't work as much. In most cases, people prefer reaching agreements with people they know as they can get a third party who is familiar with both individuals to make sure that everyone complies with the agreed upon conditions"* CS41: Ln 402-406

▪ *Conclusion*

Kerry when innovating, dealt with the deficient institutions in Nigeria by making use of informal institutions when financing her film project. She was seen to have made use of informal institutions in her interaction with Nigerian

actors when physically producing her film project, and also seen to have used a formal institution (contract law in the USA) that looked to be external to the Nigerian environment in her interaction with international actors when physically producing her film project.

Her decision to make use of informal institutions when financing her film project was influenced by the outcome of the interaction between the institutional specificities present in the Nigerian environment and the institutional specificities that were present in the banking industry. This outcome led to the manifestation of the situation regarding her difficulty in accessing finance when innovating. This outcome also led to the creation of choices regarding institutions that she could use when financing her film project. The particular institution that she selected is argued to have been influenced by her lack of work experience in the Nigerian film industry.

On the other hand, her decision to make use of informal institutions in her interactions with Nigerian actors when physically producing her film project was influenced by them sharing similarities in relation to the influence of institutional specificities regarding the high tendency of contracts to be breached that was present in the Nigerian environment. These similarities led to an outcome which pointed to the manifestation of a situation regarding whether to sign or not sign a contract when interacting with Nigerian actors. The particular institution that she selected is argued to have been influenced by the experience she got from having lived in the Nigerian film industry.

In addition to this, her decision to make use of formal institutions (that gave the impression of being external to the Nigerian environment) in her interactions with international actors when physically producing her film project was influenced by the outcome of the interaction between the institutional specificities in the Nigerian environment and the institutional specificity USA environment. The outcome of these interactions led to the identification of the situation regarding where to sign contracts when interacting with international actors. This created choices regarding institutions that Kerry could use to guide her interactions with the international actors. However, her choice of a formal institution (that gave the impression of being external to the Nigerian environment) was influenced by the work experience of her director (through which she understood that the chances of international actors agreeing to sign contracts in an environment they believed could not protect them in the case of a breach was low).

5.4. Conclusion

Towards dealing with deficient institutions in the Nigerian environment when innovating, the entrepreneurs in the cases were argued to have made use of informal institutions when financing their film project. When they were physically producing their film project, it was seen that they made use of informal institutions (in their interactions with Nigerian actors) and also made use of formal institutions that looked to be external to the Nigerian environment in their interactions with international actors.

The decision by the entrepreneurs to make use of informal institutions when financing their film project was argued to have been influenced by the

outcome of the interactions between the institutional specificities that was present in the Nigerian environment and the institutional specificities that were present in the financial/banking industry of the actors they intended to interact. The outcome of this interaction led to the manifestation of the situation relating to the difficulty in accessing finance from banks when innovating. This also led to the creation of possible choices of institutions that were available to finance their film project. The particular institution that they chose was seen to have been influenced by their personal experiences.

On the other hand, the decision by the entrepreneurs to make use of informal institutions in their interactions with actors when physically producing their film project was argued to have been influenced by the actors sharing similarities as regards the institutional specificities present in the Nigerian environment. These similarities it is argued, resulted in the manifestation of a situation regarding whether or not sign contract with the Nigerian actors when physically producing their film project. It also created options of possible institutions that the entrepreneurs could use to guide their interactions with such actors. However, the institution that they selected was seen to have been influenced by the experience that they got from having lived in the Nigerian environment. The bringing together of the experience gotten from having lived in the Nigerian environment and the outcome of the interaction between the entrepreneurs and the Nigerian actors led to the identification of the situation regarding how the entrepreneurs dealt with the issue of interacting with Nigerian actors when physically producing their respective film projects.

In addition to this, the decision by the entrepreneurs to use formal institutions that looked to be external to the Nigerian environment in their interactions with international actors, was argued to have been influenced by the outcome of the interaction between the institutional specificities in the Nigerian environment and the institutional specificities in the national environment of the international actors. The outcome of this interaction pointed to the presence of a situation regarding where contracts should be signed when interacting with international actors. It also created options of possible institutions that the entrepreneurs could use to guide their interactions with the international actors. However, the institution that they selected was seen to have been influenced by the experience they got from having worked in the Nigerian film industry.

CHAPTER SIX

6. CROSS-CASE ANALYSIS AND DISCUSSION

6.1. Introduction

This chapter has two aims. First of all, it compares the findings generated from each of the cases in the previous chapter. This is done to enable the comparative analysis of findings that represent the four cases considered in the thesis. This also allows for the findings attached to the previous chapter to be more robust. Secondly, it aims to provide a discussion of the findings that are generated as a result of the case comparison done in the previous section.

To achieve this, the chapter is structured into three sections. Section 6.2 provides a cross-case analysis regarding the institutions that both limited and were used by the entrepreneurs when innovating. This comparison results in the generation and identification of themes that attempt to answer the research questions associated with this thesis. Section 6.3 discusses the themes that manifested in relation to current research on innovation systems. Finally, section 6.4 concludes the chapter.

6.2. Cross-case analysis and generation of themes

A comparative analysis of the findings that were generated from each individual case analysis pointed to the presence of three institutions that had a limiting influence on the entrepreneurs' ability to interact with other actors when innovating. They are: company registration regulation, copyright law, and contract law. In more specific terms, the presence of an unfavourable

company registration regulation, and a weakly enforced copyright law in the Nigerian environment were seen to have a limiting influence on the entrepreneurs' ability to interact with certain actors when financing their film projects. On the other hand, the presence of a weakly enforced contract law was seen to have a limiting influence on the entrepreneurs' ability to interact with certain actors when physically producing their film projects.

A closer look at these institutions allowed for an identification of them being formal institutions that are present in the Nigerian environment. As a result, it can be argued that the formal institutions in the Nigerian environment did have a limiting influence on the entrepreneurs' ability to interact with other actors when innovating. This it is pointed out, can lead to the generation of a theme which advocates for a relationship between the ability to the entrepreneurs in the Nigerian film industry to interact with actors when innovating, and formal institutions in the Nigerian environment. It can be drafted as:

1. The formal institutions in the Nigerian environment made it difficult for entrepreneurs to form and maintain interactions with actors when innovating.

The comparative analysis also showed that three institutions were used by the entrepreneurs to guide their interactions with other actors when innovating. These institutions are: kinship, friendship, contract law in the USA (UK). Each entrepreneur across the cases was seen to have made use of a unique combination of one or more of these institutions to guide his/her interactions with the actors when innovating. Evidence supporting this

uniqueness regarding the combination of institutions used by each entrepreneur is seen in the table 6.1 below.

Table 6.1: Institutions used by entrepreneurs when innovating

Cases	Interactions used towards ensuring innovation	Institutions used to ensure innovation
Case 1 (Paul)	Paul – Wife Paul - Friends Paul - Cinematographer Paul - Equipment Provider (prints) Paul - Equipment Provider (camera company) Paul - Post-production company	Kinship Kinship Contract law in the USA Contract law in the USA Contract law in the USA Contract law in the USA
Case 2 (Samuel)	Samuel – Theo Samuel - Equipment provider (camera provider) Samuel - Cinematographer Samuel - Focus Puller Samuel - Post-production manager	Friendship Friendship Contract law in the UK Contract law in the UK Contract law in the UK
Case 3 (Silas)	Silas – Wife Silas - Wife's family Silas - Friends (script writers) Silas - Cinematographer Silas - Equipment Provider (camera)	Kinship Kinship Friendship Friendship Friendship

		Silas - Post-production manager	Friendship
Case 4 (Kerry)		Kerry – Father	Kinship
		Kerry - Director	Friendship
		Kerry - Cinematographer	Contract law in the USA
		Kerry - Equipment Provider (camera company)	Contract law in the USA
		Kerry - Post-production manager	Contract law in the USA

Also important is the identification that the use of these institutions by the entrepreneurs in the cases pointed to them making use of informal institutions and also making use of formal institutions (that looked to be external to the Nigerian environment) when innovating.

All the entrepreneurs were seen to have used informal institutions to guide their interactions with actors when financing their film projects. However, for the physical production of their film projects, the entrepreneurs were seen to have made use of both informal institutions and formal institutions that looked to be external to the Nigerian environment. A closer look at the physical production activity however revealed that the entrepreneurs use of informal institutions was limited to their interactions with actors from Nigeria, while their use of formal institutions (that looked to be external to the Nigerian environment) was limited to their interactions with actors from outside Nigeria.

For the financing activity, this use of informal institutions by the entrepreneurs was pointed to be the only alternative that was available when financing their film project. Thus, the entrepreneurs had no other option than

to use informal institutions to finance their film projects. Such emphasis on them having no other alternative pointed to them substituting the deficient formal institutions with informal institutions when financing their film projects. As a result of this, it is argued that informal institutions performed a substituting role as a result of deficient formal institutions when the entrepreneurs were financing their film project.

For the physical production activity, the use of informal institutions by the entrepreneurs was seen to occur in their interactions with actors from Nigeria. Such use was argued to have been the preferred alternative of the entrepreneurs in their interactions with Nigerian actors when physically producing their film projects. As was seen in the financing activity, the emphasis on the entrepreneurs using informal institutions as their preferred alternative when interacting with the Nigerian actors pointed to the substituting role that informal institutions performed during the physical production activity. However, the use of formal institutions (that looked to be external to the Nigerian environment) by the entrepreneurs was seen to occur in their interactions with actors that came from outside Nigeria. Such use was argued to have been the only alternative that the entrepreneurs had to get the international actors to agree to reaching an agreement with them. As a result, the use of formal institutions (that looked to be external to the Nigerian environment) substituted the deficient formal institutions in the entrepreneurs' interactions with international actors when physically producing their film projects.

From these arguments, three proposals can emerge in relation to how the entrepreneurs within the Nigerian film industry innovation system dealt with the deficient institutions that were present in the Nigerian environment. They are:

- The entrepreneurs in their interactions with actors when financing their film projects, dealt with the deficient formal institutions in the Nigerian environment by substituting them with informal institutions.
- The entrepreneurs in their interactions with actors from Nigeria when physically producing their film projects, dealt with the deficient formal institutions in the Nigerian environment by substituting them with informal institutions.
- The entrepreneurs in their interactions with international actors when physically producing their film projects, dealt with the deficient formal institutions in the Nigerian environment by substituting them with formal institutions.

As it is seen that every entrepreneur across the cases interacted with Nigerian actors when financing their film projects, it is possible to merge the first two proposals of informal institutions substituting for deficient formal institutions when innovating. As a result of this, two themes are argued to emerge which point to the trend of the entrepreneurs making use of a particular type of institution when interacting with Nigerian actors and another type when interacting with non-Nigerian actors. They are:

2. The entrepreneurs in their interactions with actors originating from a similar national environment, dealt with the deficient formal institutions in their immediate environment by substituting them with informal institutions.
3. The entrepreneurs in their interactions with actors from a different national environment, dealt with the deficient formal institutions in their national environment by substituting them with formal institutions that looked to be external to the entrepreneurs' national environment.

In addition to this, it was also pointed out from the case narratives that each entrepreneur's decision to make use of informal institutions when interacting with actors from Nigeria, and to use formal institutions that looked to be external to the Nigerian environment when interacting with international actors, was influenced by the outcome of the interaction between the institutional specificities that are present in the Nigerian environment (such as a weakly enforced copyright law and weakly enforced contract law) and the institutional specificities that are present in immediate environment of the actors they interacted with creating options of institutions they could use. This outcome allowed for the identification of specific situations that existed with regards to the entrepreneurs performing either the financing or physical production activity when innovating in the Nigerian environment. However, the particular institution that was selected by each entrepreneur (among the options available) when financing and physically producing his/her film project, was determined by the personal experiences of each entrepreneur.

The identification of these arguments also allowed for the generation of two themes which focused on how the decisions that were made by the entrepreneurs when innovating within the Nigerian film industry innovation system. They are:

4. The option of certain institutions available for the entrepreneurs to use when innovating, is influenced by the situations that manifest from the interactions between the entrepreneurs and the actors.

5. The entrepreneurs' decision to select a particular institution from the options available when innovating, was influenced by knowledge gotten from their personal experiences.

6.3. Discussion of themes

Comparisons made in the cross-case analysis section led to the creation of six themes. These themes were generated in relation to answering the sub-research questions of what institutions were used by the entrepreneurs to deal with deficient institutions in the Nigerian environment, and also how the entrepreneurs arrived at the decision to use such institutions. This section focuses on discussing these themes within the context of current arguments being made within innovation systems research.

Theme 1: Formal institutions within the entrepreneurs' national environment made it more difficult for the entrepreneurs to form and maintain interactions with actors when innovating.

The notion of the formal institutions in the Nigerian environment making it more difficult for the entrepreneurs to form and maintain interactions with actors when innovating is argued to exist on the premise of the inability of the formal institutions to reduce the level of uncertainty that both set of actors had as regards their respective behaviours when interacting. This meant that both the entrepreneurs and the actors they intended to interact with could not be certain about how each other would behave due to the deficient nature of the formal institutions in the Nigerian environment. Such emphasis on the formal institutions making it difficult for the different actors to be certain about how they would behave is argued to be tied to the weak enforcement mechanisms that are associated with the formal institutions in the Nigerian environment. The presence of such weak enforcement mechanisms could potentially lead to a lack of fear by actors regarding sanctions (or punitive measures) being levied on them in the event of them behaving in an opportunistic manner.

Evidence supporting this argument is seen with Samuel who refused to use contracts to guide his interactions with Nigerian actors when physically producing his film project. While he argued that most actors in Nigeria preferred to shake hands (and thus were not in the habit of signing contracts) when reaching agreements, a much deeper analysis revealed that the reason for this was tied to the inability of actors to be certain of how they would behave due to the fact that they had no fear of sanctions being levied on them by the Nigerian courts. Such lack of fear was seen to have stemmed

from most courts in Nigeria being described as having judges who were not only inefficient but also corrupt. According to him:

“Just like I told you earlier, my experience with the legal system was bad. They did not take me serious when I wanted to sue a pirate. Imagine that. They told me to bring money that the pirate had brought a larger amount and I should go higher than what he brought. How do you reconcile that?” CS21: Ln 489-492

This emphasis on the inability of the formal institutions to reduce the level of uncertainty associated with the interactions between the entrepreneurs and other actors is one that exists as a result of the application of the innovation systems framework (and its emphasis on the interaction between actors). However, on the account of the near absence of a micro-level treatment of institutions within innovation systems research, it is quite difficult to discuss this notion of uncertainty associated with the interactions between actors occurring due to the nature of formal institutions within a particular innovation system. This notwithstanding, such argument can be discussed when existing research that focuses on innovation and entrepreneurship in developing countries is used.

Arguments from studies in innovation (Aubert, 2005, Szirmai et al., 2011) and entrepreneurship (Puffer et al., 2010) point to the notion of increased uncertainty associated with the trend of either innovation or entrepreneurship in developing countries occurring due to the presence of formal institutional voids (or sub-optimal formal institutions) existing in such

environments. The uncertainty increases because the sub-optimal institutions (e.g. weak contract enforcement) make it difficult for the entrepreneur to predict how the actors he/she collaborate with will behave (Szirmai et al., 2011, Michailova et al., 2015). The difficulty such entrepreneurs have in predicting the behaviour of the actors is argued to occur as a result of the actors being aware that an inefficient court system means a very low chance of facing sanctions (Aubert, 2005).

When related to the arguments made earlier, this notion of uncertainty (which is tied to the entrepreneurs not being certain of the actors' behaviours) that is tied to the entrepreneurship process is seen to share some similarity with the arguments generated from the thesis as regards the uncertainty attached to the interactions being high as a result of the inability of both actors to predict each other's behaviours. It however accounts for the application of the innovation systems framework (and goes one step further) by including a consideration of the feeling of uncertainty from not just the entrepreneur's perspective, but from also the actors' perspective. The consideration of both perspective enables it to account for the application of the IS framework.

Theme 2: The entrepreneurs in their interactions with actors from the same national environment dealt with the deficient formal institutions by substituting them within informal institutions.

The notion of the entrepreneurs in the cases substituting deficient formal institutions (such as a weakly enforced contract law) with an informal

institution (such as friendship) to guide their interactions with Nigerian actors when innovating, is argued to be one that exists on the back of the ability of informal institutions to reduce the level of uncertainty (on the basis of the strength in the enforcement mechanisms associated with informal institutions) that was associated with the interaction between both set of actors (the entrepreneurs and the actors they intended to interact with).

Evidence supporting this argument is seen with Kerry who sought out an interaction with her father when financing her film project. She was able to ensure an interaction with her father on the basis of her knowledge that the personal trust gotten from the kinship shared between both of them would have been sufficient to allow her father know that she would keep her word of paying back when she could. This use was however in contrast with her possible interaction with the banks where the high level of uncertainty in the Nigerian environment (caused by a weakly enforced copyright law and an unfavourable company registration regulation) would have meant that the banks could not predict how she would behave. According to her:

- *“I had no option than to seek for finance from my father. I did this because I knew that he would not be particular about whether my business plan showed I could pay. Rather, he would take my word that I would pay him back”*

This emphasis on the use of informal institutions by entrepreneurs in environments possessing a high level of uncertainty when interacting with other actors who come from a similar national environment is one that exists

as a result of the application of the innovation systems framework (and the emphasis that it places on the interaction between actors). However, on the account of the near absence of a micro-level treatment of institutions within innovation systems research, it is quite difficult to discuss the use of informal institutions as a way to reduce the uncertainty attached to the interaction between actors who come from institutionally deficient national environments within innovation systems research. This notwithstanding, it is possible to discuss and also provide some measure of validity for such argument if arguments from research that focus on how entrepreneurs exploit their opportunities in institutionally challenging environments is considered.

According to the arguments by Helmke and Levitsky (2004) and Welter and Smallbone (2011), one way through which entrepreneurs within challenging national environments (or institutionally deficient environments) deal with deficient (inefficient) formal institutions is by substituting them with informal institutions. Both studies base their arguments on the notion that within challenging national environments, the level of uncertainty is high. As a result, the enforcement mechanism which can be used to reduce the uncertainty that entrepreneurs face when performing different activities is almost non-existent. Towards dealing with such high levels of uncertainty, the studies advocate the use of personal trust as an enforcement mechanism (Helmke and Levitsky, 2004, Welter and Smallbone, 2011). Such use of personal trust means that rather than being dependent on legal safeguards to provide sanctions in the case of a business relationship failing, entrepreneurs are seen to be dependent on un-officially sanctioned channels

to enforce agreements (Helmke and Levitsky, 2004, Hohmann and Malieva, 2007). However, relationships that are based on the use of personal trust are argued to be indicative of the entrepreneurs making use of informal institutions (Welter and Smallbone, 2011).

When related to the arguments made earlier, this notion of informal institutions possessing effective enforcement mechanisms which reduces the feeling of uncertainty felt by entrepreneurs when exploiting their opportunities is argued to share similarities with the claim seen in the thesis that informal institutions were used as a way to reduce the uncertainty in the interactions between entrepreneurs and the Nigerian actors when innovating. This notwithstanding, it does share certain differences with arguments made in entrepreneurship research. First of all, the additional consideration of the feeling of uncertainty as seen from the perspective of the actors the entrepreneur intends to interact with, pointed to the influence and application of the innovation systems framework (and its emphasis on interactions) to the argument made. Secondly, such influence allowed for the identification of the condition of such substituting role being only possible when an actor from the same national environment as the entrepreneur was considered.

Theme 3: The entrepreneurs in their interactions with actors from a different national environment, dealt with the deficient formal institutions by substituting them with formal institutions that looked to be external to the national environment.

The notion of the entrepreneurs in the cases substituting the deficient formal institutions in the Nigerian environment with formal institutions that looked to be external to the Nigerian environment when interacting with international actors is argued to have been based on the entrepreneurs taking the decision to go outside the Nigerian environment to sign the contracts with the international actors. While this action did not mean that the entrepreneurs could not potentially breach the contract when in Nigeria, it gave the impression (especially to the international actors) of the contract being subject to strong law enforcement. Such impression was important as it allowed for a reduction in the feeling of uncertainty on the part of the international actor.

Evidence supporting this argument is seen with Kerry who had to travel to the USA to sign the contract with her cinematographer. Part of the reason why she travelled was because she wanted to show to the cinematographer that she intended to interact with that she was serious about an interaction. It was also done to allay the uncertainty that the international actor (cinematographer) may have regarding interacting with an actor who came from an environment where contract law enforcement was weak. *According to her:*

“I had to travel to the USA to let my cinematographer and special effects manager know that I was serious. I meant Tony had also told me that going there may help tip the scale into our balance in relation to them agreeing to work with us”

It is argued that this decision to substitute the deficient formal institutions with formal institutions that looked to be external to the Nigerian environment when interacting with international actors, was tied to the different institutional environments that both actors originated from. As the entrepreneurs originated from an institutional environment where contract law enforcement was weak (and institutions sub-optimal) and the international actors originated from an institutional environment where contract law enforcement was strong (and institutions optimal), a possible interaction between them would have pointed to the presence of a disconnect between the institutions that determined their respective behaviours. Such disconnect would also have pointed to the feeling of uncertainty that the international actors would have especially with respect to being certain that the entrepreneurs would not act in an opportunistic manner.

Thus, towards ensuring an interaction with the international actors, the entrepreneurs had to find a way to allay the concerns of the international actors as regards their feeling of uncertainty in relation to potential opportunistic behaviour from the entrepreneur. This involved them having to find a way to compromise with the international actors in order to ensure innovation.

Such emphasis on the adoption of a strategy based on compromise as a way to reduce the feeling of uncertainty by the international actors (and thus interact with them) is argued to be one that has received very little to no attention within the innovation systems literature. This notwithstanding, it is possible to discuss and also provide some measure of validity for such argument if considerations from entrepreneurship research that focus on how entrepreneurs respond to institutional pressures are used.

According to the arguments by Oliver (1991) and Manolova and Yan (2002), one way which entrepreneurs respond to institutional pressures when exploiting their opportunities is through the adoption of compromise strategies. Compromise strategies are argued to be used when entrepreneurs are faced with concerns between institutional expectations and entrepreneurial objectives that are related to efficiency (Oliver, 1991), and also when the entrepreneurs have difficulties in overcoming institutional prerequisites. The adoption of such strategy is however argued to be dependent on the entrepreneurs' knowledge and understanding of both their own environment and the environment of the stakeholders who they are in agreement with (Welter, 2005). By adopting such strategies, entrepreneurs attempt to do what they believe will work towards achieving their goals (Oliver, 1991).

This argument when placed within the context of this thesis points to the similarities between entrepreneurs having to deal with the institutional concerns of their stakeholders by balancing the concerns of their stakeholders and their own goals (Oliver, 1991), and the entrepreneurs in the

cases who had to find a way of dealing with the feeling of uncertainty associated with the international actors (due to them coming from a totally different institutional environment as the entrepreneurs) towards achieving their goals of creating a film project that was high in image-quality.

Dealing with such institutional concerns implied that the entrepreneurs had to have been aware of the limitations and shortcomings that would manifest from them being actors who operated in an institutionally deficient environment. They also had to have been aware of how such limitations and shortcomings would be interpreted by other actors (especially actors who came from an institutionally optimal environment). Finally, they had to be aware of the institutional environment that such international actors originated from.

Such awareness it is argued, would have led to them realising that the only way they could sign a contract (and as a result, interact with such international actors) was through them balancing their goals with the international actors concerns.

Theme 4: The options of certain institutions available for the entrepreneurs to use when innovating, is influenced by situations that manifest from the interactions between the institutional specificities in the entrepreneurs' environment and those in the actors' environment.

The notion of the interaction between the institutional specificities that are present in the entrepreneurs' immediate environment and the institutional specificities that are present in the actors' immediate environment resulting in

identification of the situations which the entrepreneurs have to deal with when innovating is one that allows for an insight into the provision of the micro-level decisions that were made by the entrepreneurs when innovating. These interactions also provide to the entrepreneurs an understanding into what (and why) options of institutions to use are not possible, and also what (and why) certain options of institutions are possible.

Evidence supporting this argument is seen with Paul who as a result of the outcome of the interaction between the institutional specificities (relating to the weak enforcement of contracts) in the Nigerian environment and the institutional specificities (relating to the strong enforcement of contracts) in the USA environment, realised that he was dealing with a situation around where he would have had to sign the contract when interacting with the international actors. As a result of this situation, he was able to realise that the option that were available for him in his interaction with an international actor included him having to find a way to get the international actors to agree to sign the contracts in Nigeria. Another option available was for him to go over to the country of the international actors to sign the contracts.

This consideration of the situation that manifested being a factor that influences the options that are available to them is one that exists as a result of the application of the innovation systems framework (with its emphasis on interactions when innovating). Despite this argument, due to the fact that there is little sufficient attention being paid on a micro-level treatment of institutions within innovation systems research, there exists almost no study

that focuses on how either the situational specificities or interactions between different situations influence institutions that matter. This notwithstanding, it is argued that the underlying premise of such proposition shares some similarity with arguments made in entrepreneurship research where situational specificities influence the decisions made by entrepreneurs.

According to studies by Glade (1967), Greenfield and Strickon (1981), Gilad and Levine (2000), and Kalantaridis (2004), the micro-level decisions that are made by entrepreneurs towards them reaching a goal can be influenced by the situations (or state of affairs) that exist within their respective environments. By proposing that the situations provide a description of what the entrepreneurs have to face within a particular environment, the studies all proposed for the situational approach as providing an explanation for entrepreneurial behaviour that was closest to the description of what was happening within such particular environments (Glade, 1967; Greenfield and Strickon, 1981, Kalantaridis, 2004). This argument also receives increased attention for its ability to provide an explanation of entrepreneurial behaviour between developed and developing country national environments. As both national environments differ with respect to the deficient institutions present in developing countries, the situational specificities as regards access to finance, and other activities will differ across both national environments (Glade, 1967, Kalantaridis, 2004). As a result, there is a high likelihood for entrepreneurs across both national environments to make different decisions when dealing with such different situations.

Pushing further on the explanation of the situational approach were the studies by Greenfield and Strickon (1981) and Kalantaridis (2004) where it was argued that a focus on the situations existing within a particular national environment was a necessary but not sufficient condition towards explaining the process of entrepreneurial decision-making. Both studies were of the opinion that while the earlier argument by Glade (1967) provided a good starting point towards understanding how situations in a particular national environment could influence entrepreneurial decision making, it did not do justice to the provision of a subtle explanation of how situational specificities influenced the decisions entrepreneurs made (Kalantaridis, 2004). Towards achieving this, their studies drew upon Darwin's population ecology model to propose an argument where the situations within a particular environment allowed for the entrepreneurs to conceptualise a range of behaviours or decisions that could be taken towards them attaining their goals (Greenfield and Strickon, 1981, Kalantaridis, 2004). As a result, the application of the situational approach to entrepreneurial decision-making was explained by the situations in a particular national environment leading to the entrepreneurs having a range of possible alternatives regarding decisions that they could take towards achieving their goals.

When placed within the context of this thesis, the above argument is seen to share similarities with the notion that the interaction between the entrepreneurs and the actors (and the interaction between the institutional specificities across both environments) results in outcomes which provide a portrayal of the situations which the entrepreneurs have to face. It also points

to the similarities shared between the concept of situations leading to a range of possible alternatives as regards decisions the entrepreneurs can take towards attaining their goals (Greenfield and Strickon, 1981) and the argument made in the thesis regarding the situations that the entrepreneurs are faced with having an influence on the options of institutions that are available to the entrepreneurs when innovating. Furthermore, it also extends on the argument made in entrepreneurship (Kalantaridis, 2004, Welter and Smallbone, 2011) by not just giving consideration on how the institutional specificities within the entrepreneurs' environment influences the situations that entrepreneurs face, but also gives additional consideration on the actors and the institutional specificities that exist within the actors' immediate environment.

Arguments from the analysis point to three possible instances of the interactions between institutional specificities leading to outcomes regarding the situations that the entrepreneurs have to face when innovating. These instances are: the interaction between the entrepreneurs and the banks, the interaction between the entrepreneurs and the Nigerian actors from the film industry, and the interaction between the entrepreneurs and the international actors. For the first instance, it is argued that the interaction between the entrepreneurs and the banks resulted in the identification of a disconnect existing between the entrepreneurs and the banks. This disconnect was argued to be tied to the inability of the entrepreneurs to cater to the concern of the banks (as regards providing a paper-based guarantee of potential revenues and number of copies that the film projects could generate). The

identification of this disconnect was also particularly interesting when it was considered that both the entrepreneurs and the banks come from the same national environment and thus ought to have similar institutional specificities. However, a much closer look at this disconnect points to an interesting revelation of an interaction between two Nigerian actors with one actor operating under two environments. To be specific, in addition to operating within the Nigerian environment, the banks were also seen to operate within the environment of the banking industry and as a result had institutional specificities that were tied to their immediate working environment. These regulations and the respective institutional specificities that occurred as a result of their influence were seen to have been given preference by the banks. As a result, the situation regarding the difficulty to access finance pointed to the banks (and their institutional preferences) playing a major role in determining the outcome of such interaction.

In a similar vein, for the second instance, it is argued that the interaction between the entrepreneurs and the Nigerian actors resulted in the identification of a similarity shared between both sets of actors (and as a result, the institutional specificities present in their respective environments). By being subject to the deficient institutions in the Nigerian environment, both actors were aware of the influence that a weakly enforced contract and copyright law would have on the Nigerian environment. However, unlike was seen in the instance with banks, the immediate working environment of the actors meant that they still operated within the umbrella of the institutional specificities that were present in the Nigerian environment.

Comparing the above arguments led to the possible conclusion that even though the outcome of the interaction between the institutional specificities results in the identification of the situations that the entrepreneurs face, and consequently, influence the options of institutions that the entrepreneurs used when innovating, a key factor that may have played a major role to such outcome (and also may have brought improved understanding on how such options came to be) was the consideration of the working environment of the actors that the entrepreneurs interacted with.

Theme 5: The entrepreneurs' decision to select a particular institution from the options available was subject to the knowledge that they got from their personal experiences.

The notion that the entrepreneurs' experiences were what influenced their decisions to select the choice of a particular institution when innovating occurred as a result of such experiences providing the entrepreneurs with knowledge about what particular institution (out of the institutions available as a result of the influence of the situations) would be most suitable in ensuring their interaction with actors when innovating. This use of their experiences is argued to be an internal process that is unique to each particular entrepreneur. As a result, the decision for each entrepreneur to use a particular institution to guide his/her interactions with different actors when innovating was seen to have been influenced by an internal experiencing process that provided each particular entrepreneur with knowledge about the best course of action towards dealing with the

situations was faced when innovating. Evidence supporting this argument was seen with Silas whose decision to select the use of friendship rather than contract law when interacting with the Nigerian actors was tied to him knowing that the enforcement of verbal agreements within the Nigerian environment was more effective than the enforcement of contracts. This knowledge was seen to be tied to the experience that he got from having lived in the Nigerian environment. *According to him:*

“I did not sign contracts with anybody. If you know how things are done here, you will know that most people prefer just shaking hands than signing contracts. I mean you have people who do that, but I think it’s more of just fulfilling all righteousness. There is no guarantee that if I go against the terms stipulated, you can do anything to me. This you don’t get with shaking hands. Everybody knows. If I report you to the industry heads, your business may fail” CS31: Ln 247-251

This notion of the entrepreneurs’ experiences providing knowledge as regards the institution they select out of the options available when innovating has however received almost no attention in innovation systems research. Reasons for this can be tied to the dearth in focus of a micro-level treatment of institutions within research on innovation systems, and also the dominance of the argument regarding institutions found within a particular innovation system influencing actor behaviour (Borras and Edquist, 2014). This absence notwithstanding, such argument is proposed to share some

semblance of similarity when compared with arguments made around the experiential approach within entrepreneurship research.

As was pointed out in the studies by Greenfield and Strickon (1981) and Kalantaridis (2004), the influence of the situational approach results in the creation of alternative possibilities regarding choices/actions that can be taken by the entrepreneurs when exploiting their opportunities. Their studies however stopped short of providing specifics on how entrepreneurs selected the most appropriate choice towards attaining their goals (Greenfield and Strickon, 1981, Kalantaridis, 2004). This notwithstanding, they argued that such process would be one that was dependent on the adoption of learning-by-doing on the part of the entrepreneur (Kalantaridis, 2004). This emphasis on learning-by-doing they identified as an activity which allowed entrepreneurs to know that not all alternative possibilities would result them attaining their goals.

One way via which the learning activity does manifest within entrepreneurs is through their experiences. The knowledge that entrepreneurs gain from their various experiences results in their learning of what particular action may lead to them achieving their desired outcome. Supporting this argument are the studies by Morris et al. (2012), Politis (2005), and Schindutte et al. (2006), the entrepreneurs' experiences led to their identification of a decision-making process that would most likely lead to them attaining their goals. For them, the experiential approach (or the influence of personal experiences) allowed for an understanding of the

internal mechanisms (such as experiencing and sense-making process) that happened within an individual entrepreneur (Morris et al., 2012). Such sense-making process it is argued, would have allowed the entrepreneurs to weigh the options that were available and also select the more realistic or better option that would enable them exploit their opportunity.

This when placed within the context of this thesis, points to the notion of a similarity shared between the argument regarding the personal experiences of the entrepreneurs in the cases providing them with knowledge to reach the decision to select a particular institution out of the options available in their interactions with actors when innovating, and the argument regarding the experiential approach being a way to describe how entrepreneurs learn to select a particular decision that will enable them to attain their desired goal (Morris et al., 2012). It however pushes further the argument made in entrepreneurship research by providing additional focus on how the utilization of personal experiences pointed to the notion regarding the selection of a particular institution (out of options available) being a behaviour that was internal to the entrepreneurs. The internationalisation of such behavioural activity it is argued points to the importance that the entrepreneurs' personal characteristics have on the particular institutions they selected and thus, the role that the entrepreneurs' personal characteristics have on their behaviours when innovating.

Such emphasis on the entrepreneurs' personal characteristics having an influence on the particular institutions they used when innovating, can be

argued to be indicative of the notion of the institutions that mattered when innovating being influenced characteristics that were internal to the entrepreneur.

6.4. Conclusion

A focus on a micro-level treatment of institutions within innovation systems research allows for a generation of an argument that in environments that possess a high level of institutional uncertainty, the relationship between institutions and entrepreneurial actors is not one-dimensional, as certain instances exist where the entrepreneurial actors can through their personal experiences influence institutions by deciding on the institutions that matter to them when achieving their goals (innovating).

Such treatment of institutions has certain contributions and implications to the current discourse made within innovation systems research.

In an attempt to identify what these contributions and implications are, the next chapter seeks to conclude this thesis.

CHAPTER SEVEN

7. CONCLUSION

7.1. Introduction

This chapter aims at concluding the thesis by presenting what the findings to the research questions are, what the contributions of the findings to the existing literature are, and what the implications of such findings for innovation systems research are.

Towards achieving this, the chapter is split into five sections. Section 7.2 presents the research findings that have been generated from answering the research questions. Section 7.3 presents the contributions of the thesis to the available literature on innovation systems. Section 7.4 presents what the implications of these findings to the existing theory on innovation systems and also to policy-makers are. Section 7.5 presents the limitations that are attached to the findings that are generated. Finally, section 7.6 suggests possible future research areas which can be focused on as a result of the findings that are generated.

7.2. Research Findings

The main research question which this thesis sought to answer is: *How do entrepreneurs deal with deficient institutions in developing country innovation systems in order to introduce innovations?*

Towards answering this main research question, the literature review chapter broke down the main question into two sub-research questions. They are:

- What institutions do the entrepreneurs use to guide their interactions when innovating?
- How do the entrepreneurs reach the decision to make use of certain institutions to guide their interactions when innovating?

1. What institutions do the entrepreneurs use to guide their interactions when innovating?

It was revealed from the thesis that the entrepreneurs in the cases made use of informal institutions to guide their interactions with actors from Nigeria when innovating. They were also seen to have made use of formal institutions (that appeared to be external to the Nigerian environment) to guide their interactions with international actors when innovating.

Their use of informal institutions in their interactions with Nigerian actors pointed to them dealing with the deficient formal institutions in the Nigerian environment by substituting them with informal institutions. Such decision it was argued, occurred because in contrast to the weakness attached to the enforcement of formal institutions in Nigeria, the enforcement of informal institutions was depicted as being strong. This as a result meant that the use of informal institutions could reduce the feeling of uncertainty that both set of actors associated with their respective behaviours.

On the other hand, their use of formal institutions (that appeared to be external to the Nigerian environment) when interacting with the international actors pointed to them dealing with the deficient formal institutions in the Nigerian environment by substituting them with formal institutions that looked

to be external to the Nigerian environment. The use of such formal institutions was based on the adoption of a strategy by the entrepreneurs that was based on compromise. Such decision it was argued, occurred because the entrepreneurs knew that the international actors would feel uncertain about they were going to behave (due to the weakness associated with the enforcement of formal institutions in Nigeria). Thus, in a bid to deal with this feeling of uncertainty, the entrepreneurs had to balance the institutional concern that the international actors had with their desire to produce a film project that was high in image-quality. Such act meant them agreeing to go over to the national environment of the international actors to sign the contract. Such action the entrepreneurs believed, would help convince the international actors that they were serious about interacting with them. The entrepreneurs also believed signing the contracts outside the Nigerian environment would gave an impression of the contracts being subject to explicit enforcement from the national environment where the contract was signed.

2. How do entrepreneurs reach the decision to make use of certain institutions to guide their interactions when innovating?

It was revealed from the thesis that the entrepreneurs' decision to make use of the above mentioned institutions to deal with the deficient formal institutions in the Nigerian environment, was influenced by both the situations that the entrepreneurs faced when innovating and their personal experiences.

The interaction between the institutional specificities that were present in the entrepreneurs' national environment and in the immediate working environment of the actors resulted in outcomes which were indicative of the situations that the entrepreneurs were going to face when interacting with those specific actors. An example of this is seen with the entrepreneurs' interactions with the banks in Nigeria. The disconnect that manifested from this interaction led to the identification of the situation regarding the difficulty for the entrepreneurs to gain access to formal means of finance. This situation it was pointed out, also led to the entrepreneurs realising that the only way they could access finance for their film project was through seeking interactions with actors who would view their inability to provide paper-based guarantees for repayment of loans as a pre-requisite to interacting with them. As a result, it can be argued that the situations that the entrepreneurs had to face provided them with alternative possibilities regarding options of institutions that were available for them to make use of when innovating. However, the decision of what particular institution to select out of the options that were available to the entrepreneurs was argued to have been influenced by knowledge gotten from their personal experiences.

This emphasis on the entrepreneurs' personal experiences being the deciding factor towards them deciding to select the use of a particular institution to guide their interaction with a particular actor when innovating, it was argued, pointed to the influence that characteristics which were internal to the entrepreneur had on the institutions that were used when innovating. Such focus on internal (personal) characteristics, it is argued, brought to the

fore the role that human agency played in helping to decide the institutions that mattered when innovating.

7.3. Contributions of Research to Literature

These findings are argued to contribute to the literature on innovation systems in two main ways:

- Firstly, the enablement of a micro-level treatment of institutions within the Nigerian film industry innovation system contributed to the literature by providing an empirical-based consideration and analysis of an entrepreneur (rather than an organisation) as the actor being focused upon within a particular innovation system. Despite the argued importance of entrepreneurs to ensuring innovation (Acs et al., 2014), such consideration of the entrepreneurial actor has received very little analytical attention within the current literature on innovation systems.

Existing arguments by researchers on innovation systems have placed significant emphasis on organisational actors (such as large firms, universities and research institutes) as single entities whose interactions result in the generation, use, and diffusion of innovation (Soete et al., 2010, Edquist, 1997, Lundvall, 2007, Hekkert et al., 2009). Despite random references of entrepreneurs as actors present in innovation systems (Hekkert et al., 2007, Hekkert et al., 2009, Autio et al., 2014, Acs et al., 2014), there has been very little empirical analysis done that explicitly considers such entrepreneurs as actors whose interactions enable the generation and use of innovation within

a national, regional, technological, or sectoral innovation system. A reason for this, it is argued, is tied to the overwhelming emphasis that has been given to the broad or macro-level treatment of institutions within innovation systems research (Hekkert et al., 2009).

Such focus on the consideration of the entrepreneur allows for the introduction of the concept of agency which has been noticeably absent within innovation systems research. It can also potentially allow for the provision of an improved understanding of how the individual-level decision-making of individual agents (and their particular interests) may influence the overall decisions or behaviours that are associated with organisations within a particular innovation system. As a result, it is implied that an analytical consideration of the entrepreneur, and by extension, an introduction of agency to innovation systems research can potentially allow for the provision of insight and better understanding into how the decision-making activities of organizational actors' manifest within a particular innovation system.

- Secondly, the introduction of such an agency-driven perspective allows this thesis to provide an understanding of institutions that extends beyond what is commonly argued within the literature on innovation systems.

Existing arguments by researchers on innovation systems have been based on the premise that institutions guide both the behaviours of actors and the interactions between actors towards ensuring

innovation (Edquist and Johnson, 1997, Edquist and Borrás, 2014, Lundvall, 2007). Such emphasis which is based on a focus on structure (seen through an emphasis on organisational actors such as large firms, universities, and research institutes) provides a description of the relationship between institutions and actors that is deterministic (Acemoglu and Johnson, 2012) where such actors being seen as passive recipients to the rules that exist within an innovation system.

Thus, by showing that the particular institutions that were used by the entrepreneurs to guide their interactions with actors when innovating were influenced by both the situations that the entrepreneurs faced and their personal experiences, this thesis is able to contribute to the literature on innovation systems by providing an understanding of institutions that is not only more nuanced and subtle as when compared to what currently exists, but also alters the deterministic way the impact of institutions is understood.

The provision of such understanding of institutions also enables the identification of the notion that the institutions that mattered to the entrepreneurs when innovating, were influenced by characteristics that were internal to the entrepreneurs. Such influence, it is pointed out, places an emphasis on human agency. As a result, it is possible to conclude that within the Nigerian environment, human agency influenced the institutions that the entrepreneurs used (or the institutions that mattered) when they were innovating.

This conclusion when compared with the point made by Beckert (1990) allows for the generation of the argument that the notion of characteristics that are internal to the entrepreneurs deciding the institutions that matter when innovating, is one that exists in the instance regarding the high level of uncertainty that exists within the Nigerian environment. However, rather than debunk the previous argument made in innovation systems research where institutions guide the behaviour of actors (Borrás and Edquist, 2014, Lundvall, 2007), the conclusion reached is seen to complement the earlier made claims in innovation systems research by pointing out that such claims only hold in an environment where uncertainty caused by institutions is low. In environments where uncertainty caused by institutions are high, then entrepreneurs (and characteristics that are internal to them) influence the institutions that matter when innovating.

The presence of this argument it is pointed out, provides evidence that supports the proposition regarding the duality that is seen to exist between institutions and human agency.

7.4. Implications of Research

The implications generated as a result of findings from this thesis are argued to be both theoretical and practical.

For the theoretical implications:

Different theoretical implications on the research on innovation systems were identified from the previous section. Key among these implications included:

- First of all, a consideration of how a treatment of institutions at the micro-level may lead to the provision of an understanding that provides a much accurate depiction as regards the structure and performance especially in a developing country innovation system.
- Secondly, a consideration of how a concept of a treatment of institutions at a micro-level (and by extension, an emphasis on agency and interest-driven behaviour) adds to innovation systems theory a list of conditions which could lead to the altering of the existing dynamics between institutions and actor behaviour.
- Thirdly, a consideration of how the introduction of agency and interest-driven behaviour to innovation systems research may add to the understanding of how innovation systems evolve.
- Fourthly, a consideration of how the introduction of agency to innovation systems research may lead to an advocacy of entrepreneurs bringing about institutional change within innovation systems that are associated with institutional deficiencies.

For policy-based implications:

- The focus of such micro-level treatment encourages national-level policy-makers working within a macro-level innovation systems framework to re-evaluate the role of organizational-level initiatives and to support them with specific measures to promote wider endogenous change. This is especially true in developing country national environments where formal institutions are deficient and can

potentially impede on innovation. Indirect initiatives that focus on finding ways to encourage entrepreneurs to seek for institutional change or direct initiatives that focus on advocating for institutional change such as finding out the causes of deficient formal institutions, and providing solutions on how to improve the efficiency of such formal institutions are examples of strategies that can be implemented by policy-makers.

7.5. Limitations of the Study

Even though the aforementioned findings and contributions provide rich insight into a treatment of institutions at the micro-level, they should be evaluated against the following limitations.

- Firstly, although not intentional, most of the entrepreneurs considered in the cases were individuals who had lived outside the country at one time or frequently travelled outside Nigeria. This act while not immediately obvious, may have played a role in their decision to use formal institutions that looked to be external to the Nigerian environment in their interactions with international actors. While the findings from the thesis points to their respective work experiences as having been the deciding factor that led to the decision they made, it can be argued that a consideration of entrepreneurs who had never travelled outside Nigeria but still intended to interact with international actors may have led to a different behaviour being applied by such entrepreneurs.

- Secondly, the finding regarding the entrepreneurs dealing with deficient institutions by making use of both informal institutions and formal institutions (which look to be external to the entrepreneurs' environment) to guide their interactions with specific actors, and also their personal experiences determining the selection of the particular institutions they used is argued to be one that is limited to a consideration of an innovation system within the Nigerian environment. As it is not entirely possible to give a prediction on how entrepreneurs from other developing country innovation systems may behave, the findings regarding how the entrepreneurs dealt with the deficient institutions in the Nigerian environment is one that may differ across different environmental contexts.

7.6. Suggestions for Further Research

This research suggests a number of directions for future studies.

- First of all, as was argued, the implementation of a micro-level treatment of institutions within innovation systems research led to the introduction of both agency and interest to the discourse regarding the relationship between actors and institutions within innovation systems research. While the introduction of actor interest has led to the identification of the entrepreneurs substituting the deficient formal institutions present in the Nigerian film industry innovation system with informal institutions and formal institutions that look to be external to the Nigerian environment when innovating, there is an opportunity for wider studies to look at the potential role that agency and interest-

driven behaviour will play on entrepreneurial behaviour in both developing and developed country innovation systems. Such studies of this type can potentially help in shifting views to the importance that treatments of institutions at a micro-level have on innovation systems research.

- Secondly, while the entrepreneurs in the cases were able to find institutional solutions to the problem of deficient formal institutions within the Nigerian environment, there also exists an opportunity for future studies on innovation systems to explore how the entrepreneurial actors would have behaved if there were no ready-made institutional solutions to the problem of deficient formal institutions.
- Thirdly, there is also in addition to the second point, an opportunity for future studies on innovation systems to explore how entrepreneurial actors (especially from developing countries) may bring about institutional change when seeking to actively push for the evolution of their innovation systems.

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APPENDIX 1: CASE RESPONDENTS, CODES, AND THE ROLES THEY PERFORMED

Case 1 interviewees		
Paul Dukes	Entrepreneur (Producer)	CS11
The Camera House	Equipment Provider (camera)	CS13
Luke Bass	Cinematographer	CS12
Kodak	Equipment Provider Post-production manager	
Leopold	Industry Expert	IE1
Larry	Copyright lawyer	LA
Peter	Film and video censors board executive	GA1
Matthew	Copyrights commission executive	GA2
Karl	Association of movie producers (president)	IA
Tom	Banker (NEXIM Bank)	FA1
Cynthia	Assistant general manager (Silverbird Distribution)	DA1
Charles	Banker (EcoBank)	FA2
John	Industry Expert (Nollywood centre)	IE2

Case interviewees	2	
Samuel Lang	Entrepreneur (Producer)	CS21
Theo Richards	Co-financier	CS22
Tony Mank	Equipment Provider (camera)	CS24
Kim Spencer	Cinematographer	CS23
Wyatt Mahon	Focus Puller Post-production manager	CS25
Jerry	Consultant with SMEDAN	GA3
Leopold	Industry Expert	IE1
Peter	Film and video censors board (executive)	GA1
Charles	Bank representative (EcoBank)	FA2

Case interviewees	3	
Silas Hurt	Entrepreneur (Producer)	CS31
Jackson Rowe	Friend- Script writer	CS35
Mitchell	Friend- Script writer	CS36
Polly Smills	Wife- Script writer	CS34

Justus	Equipment provider (camera)	CS37
Andrew Nash	Cinematographer	CS32
Simon West	Post-production manager	CS33
Mark	SMEDAN executive	GA5
Carla	Industry Expert	IE3
James	Government representative	GA4

Case interviewees	4		
Kerry Lane	Entrepreneur (Producer)	CS41	
Tony Woking	Director Script-writer	CS43	
Carlos Lane	Father (co-financier)	CS42	
Chris Harpy	Cinematographer	CS44	
Manrod camera studio	Equipment Provider (camera)		
Linda Hulme	Post-production manager	CS45	
Jerry	SMEDAN executive	GA3	
Prince	Banker (Bank of Industry)	FA3	
Carla	Industry Expert	IE3	
Larry	Copyright Lawyer	LA	

APPENDIX 2: INTRODUCTION LETTER

To whom it may concern

Dear Sir,

I am contacting you in order to request your participation in a face-to-face interview exploring innovation and entrepreneurship in the Nigerian film industry.

As a way of introduction, my name is Habib Mas'ud Nuhu and I am 2nd year PhD student of Bradford university school of management.

This research is concerned with exploring the 'roles entrepreneurs perform (with respect to institutions) within innovation system. Towards that end, I have selected the Nigerian film industry as a context for study.

The research promises to be of immense importance to the growth and development of the film industry as the film industry is believed to be at the cusp of expanding its growth beyond the shores of Nigeria. As a result, I do believe that the findings generated from the research has the potential to be of immediate direct importance to practitioners, policy makers, financial organisations, and other actors involved in the Nigerian film industry.

The interview will not last more than one hour and could take place at a venue of your convenience. As I start work early and finish late, interviews can take place between 8:00 and 18:00. If acceptable, it would be preferable to have the interview recorded.

Any information provided in the interview will be treated with the strictest confidence and no individuals will be identified in any subsequent publications.

I will be contacting you during the next couple of days in order to explore if you will be able to assist, and arrange for a mutually convenient time to meet up for the interview.

Yours sincerely,

Habib Mas'ud Nuhu
hmnuhu@student.bradford.ac.uk



APPENDIX 3: CONSENT FORM



CONSENT FORM

Researcher Name: Habib Mas'ud Nuhu

Project Title: Entrepreneurship and Innovation systems in developing countries

Thank you for considering being interviewed as part of the research. I would be grateful if you would read through the following questions and indicate your response to each of them. The purpose of this is to ensure that you are fully aware of the purpose of the research and that you are willing to take part.

1. I have been informed about the purpose of the study and have had the opportunity to ask questions about it if I wished YES/NO ☐
2. I understand that I can withdraw from the study at any stage, without giving a reason and that my data will not be included in the research YES/NO ☐
3. I understand that I am free to choose not to answer a question without giving a reason why YES/NO ☐
4. I have been informed that the interview will be tape-recorded and I give my consent for this recording to be made. YES/NO ☐
5. I understand that extracts from the recording might be used in a publication at a later date. YES/NO ☐
6. I confirm that I have not been involved in a similar study in the past 6 months. YES/NO ☐
7. I understand that if extracts from the recording are used any identifying information about myself and my organisation will be removed and anonymity will be ensured. YES/NO ☐

I give my consent to take part in the research.

Participant

Signed
NAME IN BLOCK LETTERS
Date

Researcher

Signed 
NAME IN BLOCK LETTERS HABIB MAS'UD NUHU



Researcher Name: Habib Mas'ud Nuhu

Project Title: Entrepreneurship and Innovation systems in developing countries

INFORMATION SHEET

You are being invited to take part in a research study. Before you decide, it is important for you to understand why the research is being done and what it will involve. Please take your time to read the following information carefully and discuss it with others if you wish. Ask me if there is anything that is not clear or if you would like more information. Take time to decide whether or not you wish to take part.

The purpose of the research, which is part of my doctoral thesis, is to explore the role of entrepreneurs (incognisance with their institutional arrangements) in influencing innovation within a developing country innovation system.

You have been chosen because you are either currently a producer within the film industry (Entrepreneur) or you are a key component within the film industry innovation system (financier, industry expert, policy maker, distributor or exhibitor). It is up to you to decide whether or not to take part. If you do decide to take part you will be given this information sheet to keep and asked to sign a consent form. If you decide to take part you are still free to withdraw at any time and without giving a reason. In the unlikely event of distress being caused, you can take a short break or terminate the interview if you wish to do so.

If you agree to take part in the research, the researcher will carry out an interview with you that will explore your experiences as an entrepreneur or key component. Your participation in the interview is likely to last one hour and this interview will be recorded. The main question guiding this interview is; "with respect to the rules, norms and punitive measures guiding the film industry, what do you see the role of the entrepreneur to be towards influencing innovation".

All the information that is collected from you during this research will be kept secure and any identifying material, such as names and addresses will be removed in order to ensure your anonymity. It is anticipated that the research will be written up into a report which may be published at a later date. However, your anonymity will be ensured, including the anonymity of your quotes, and all the information I have collected about you will be kept secure for a duration of 5-7 years.

Please note that if you decide to withdraw your data from the study after participation you can do this within two weeks as after this period the researcher will have already written up the report.

If you require any further information about the research please contact me by email; hmnuhu@student.bradford.ac.uk. Thank you for reading this information sheet and choosing to take part in this research.

APPENDIX 4: INTERVIEW PROTOCOL

Interview Protocol (Producer/Entrepreneur)

1. Ethical Consideration

Before we begin, I will like to go through the ethical consideration for this research. I am obliged to guarantee you absolute confidentiality and anonymity. Also, I am obliged to let you know that should you not like the direction the interview is going, you are free to terminate it without any explanation whatsoever. Furthermore, your permission will be required before any excerpt from this interview is put out in the public domain.

If you agree with the considerations, can we then commence the interview? The interview will occur for a maximum of 90minutes and will be recorded on an audio recorder.

2. Introduction to Entrepreneur and Enterprise

Can you give me an introduction to who you are?

Can you give an introduction of your company?

- When was it created?
- What is its main focus?
- How many staffs work for you?
- Is the company registered with the corporate affairs commission?

3. Introduction to Innovation

What is your perception on innovation in generally?

What is your perception of innovation in the Nigerian film industry?

So for your movie, can you go through the production, script-writing, generally, the process of how it was conceived and made?

So, if you do not mind me touching on some issues.

- The script-writing. What motivated you to write the script?
- Was the content of your script different from what previously existed in Nollywood or was its similar?
- If it was different, why did you want to introduce something new?
- What brought about such decision?
- What type of camera did you use to shoot your movie?
- Was shooting your movie the first time you used that type of camera?
- Did you shoot your movie for cinema or home video consumption?
- What were the primary considerations in determining the type of camera that you wanted to use to shoot your movie?
- Apart from editing, did you include special and visual effects in your movie?

- If you did, was it the first time you did this?
- What special effects software did you use for your movie?
- How did the inclusion of both special and visual effects influence the overall output of your movie?

4. Linkages with actors

Which actors did you collaborate with towards ensuring the production of your movie?

Was there a specific reason guiding your collaboration with each actor? (When you were choosing the directors, the equipment providers and all the key members of the crew, were there specifications or things you were looking out for?)

5. Institutions guiding interactions with actors

With respect to your interactions with the actors involved in the production of your movie, how did you reach the agreement to collaborate with these actors?

- Did you have contracts signed with them?
- If not, what was the principle guiding such interactions?
- For the agreements that involved contracts, were they done in form of written agreements and do you think they could be enforced in court?

6. Challenges faced towards producing film project

Did you face any challenge (regulatory, financial, etc.) when producing your movie?

If you did, what was the nature of these challenges?

How did you deal with these challenges?

Interview Protocol (Innovation actor)

1. General Introduction

My research looks at entrepreneurship and innovation systems in the Nigerian Film Industry and I am working on a case by case basis of selected entrepreneurs within the Nigerian Film Industry. My rationale for talking to you is as a result of the fact that the process of innovation within the selected film project I feel will be incomplete without your view of the innovative activity that you were associated with. The ethical considerations are just as stated in the form.

2. Introduction of Innovation actor

- So, first of all, can you just introduce yourself, who you are, the role you performed within the project?
- Did you have to go through some form of formal training to learn the skills you have?
- What from your experience do you see as innovation?

3. Innovation activity performed by Innovation actor

- Can you take me through the process of the ability you performed in the movie?
- Did you have any input on the choice of equipment you used?
- Did you use any equipment to ensure the performance of your activity?
- Was it the first time you were using such equipment?
- So, in your own view, how did the activity you performed influence the overall output of the movie?
- With respect to the activity you performed, what do you see as innovation?

4. Linkage and Institutions with entrepreneur

- How did you get involved with the film project?
- What was the nature of your collaboration with the producer?
- Was it contractual-based or was it something else?
- If it was contractual based, did you entertain any fear of the entrepreneur possibly breaching the contract?
- Did you trust the legal system in Nigeria to protect you in the case of a contract breach?

5. Challenges to particular film production and generally within the film industry

- From your own perspective, what challenges did you think were experienced during the production of the movie?
- Why do you think some of those challenges existed?

Can you give a brief description of what challenges exist within the Nigerian Film Industry?

APPENDIX 5: OPEN CODING PROCESS

S/N	Open codes	Meaning of code	Examples of quotations highlighting codes
1	Production values in Nollywood	This emphasises the fact that Nollywood films are produced using video cameras, are done using actors who are not skilled with the equipment they use, and are cheap to produce	<i>"Most of the films that are produced are of low quality. That was what led to Nollywood blowing out. You did not need a lot of money. Only just a video camera and you were a producer"</i>
2	Distribution process in Nollywood	This emphasises the focus on video marketers as the dominant distribution channel in Nollywood rather than cinema distributors.	<i>"The NFVCB chairman tried to do something about the structure, but the distribution arm of Nollywood is run by a cartel. The video marketers run this arm and as a result, they are in charge of distribution. Even with cinemas, they still account for most of the distribution done in the Nigerian film industry"</i>
3	Business model of Nollywood	The emphasis on this model entails the physical production of a film project using low quality equipment within a short number of days (14), post-production within 7 days, distribution done by giving the film project to video marketers, and exhibition undertaken either in street viewing centres or the consumer's house.	<i>"The whole hub in the sense that what Nollywood has done or the Nigerian film industry at large has done is that it has existed before this new innovation following the traditional model of going to the cinemas, sourcing funds from here and there and going up from there"</i>

4	Financing in Nollywood	This entails the means by which producers in Nollywood gain access to funds to produce their film projects. The two prominent ways are by either using family members and friends to access finance or by having video-marketers sponsor the production of the film project.	<i>"We can also say here is that with regards to that era of production, people also built on sources of finance were essentially people around you. your friends, your family, people who believed in your project"</i>
5	Technical product characteristics of Nollywood films	This describes most films produced in Nollywood as having a low image-resolution and low sound clarity in reference to American film projects.	<i>"A lot of films that were done in the past had poor acting, poor technical stuffs. The stories were redundant and lots of issues. Somebody was making a joke that its only in a Nigerian film that when a ghost is trying to cross the road, the ghost will look left and right and then the ghost will now cross"</i>
6	Content-based product characteristics of Nollywood films	This describes most films produced in Nollywood as having content that focuses on genres of melodrama, culture, romance, and action.	<i>"Most films produced in Nollywood fall within the epic, romance, action or drama category. It has to be one of these categories as that is what sells"</i>
7	Demand segmentation of Nollywood films	This puts emphasis on the fact that most of the film projects produced in Nollywood are created for young people who fall within the lower-class segment and aged individuals (45 and above) of all segments of the Nigerian economy.	<i>"Before this new Nollywood started coming up, there was a type of people that used to go and watch Nollywood films. My mother, grandmother, aunt and so on. They enjoyed Nollywood. It catered to or it fed their imagination"</i>

8	Conceptualisation of product innovation		<i>"First of all you have to start repackaging yourself story wise, quality wise and so on and so forth"</i>
9	Description of product innovation (technical quality)	This describes the first-time introduction of a film project that is perceived as being high in image-quality as when compared to film projects that were created during the Nollywood era.	<i>"I think the production values or cinematic values in tango with me lent it to those responses that you saw"</i>
10	Rationale behind product innovation (technical quality)	This places emphasis why some producers are keen on introducing film projects that are high in image-quality. They include: producers wanting to be taken serious in the international market or producers wanting to be recognised in award ceremonies.	<i>"Also because I was hoping to access the international market because our movies are seen generally within the international market as movies below par in terms of production value or quality and for you to shoot on 35, I believe, the international audience will take you seriously so that gives you some level of leverage when dealing with them rather than shooting in video or what you call the cheap format"</i>
11	Description of product innovation (content)	This describes the first-time introduction of a film project that is perceived as being different in content as when compared to film projects that were created during the Nollywood era.	<i>"When people were watching it they were surprised, the story itself was different"</i>
12	Rationale behind product innovation (content)	This places emphasis on why some producers are keen to introduce film projects that are	<i>"Nobody had done a suspense film before and those were the things I was thinking</i>

		different in content. They may include the fact that the producers realise that the consumer segment they intend to focus on are tired of seeing the same predictable content coming from Nigerian films, and will prefer to see something new.	<i>and I was like okay let's try and make this suspense film, let's try and make it African, those were the little things that brought about innovation. Something unique"</i>
13	Description of process innovation (camera)	This describes the first-time use by a producer of a high-resolution camera (either digital or 35mm) towards the creation of images of high quality.	<i>"Then we were looking at using a high definition camera. We settled for what is it called now? What was the first high-end camera? We settled for the Red"</i>
14	Rationale behind implementation of process innovation (camera)	This focuses on the fact that a high-resolution camera is used by a producers to create images that are perceived to be of high quality or images at par with those seen in American film projects.	<i>"So one the reasons why people use either 7D or 5D or the red is because they give you that crisp image. Once you spread it, it's always clear. I wanted clear pictures, I wanted sharp HD pictures and that was why I went for 7D"</i>
15	Process innovation (special effects software)	This describes the first-time use by a producer of a special effects software.	<i>"I tried as much as possible to put something new that nobody had done before. We put animation into it, different kinds of things"</i>
16	Rationale behind implementation of process innovation (special effects software)	This focuses on the fact that producers use special effects software to introduce computer generated images to make non-live characters or artificial scenes seem real.	

17	Producer-consumer collaboration	This focuses on highlighting the linkages that producers of film projects have with prospective consumers of their film projects. This linkage is done towards the producers having an idea of what type of content his/her prospective consumer base don't want to see.	<i>"The Nollywood industry has been a joke to some certain people and a lot of people had called for secretly or online or a conversation that we want to see these Nigerian movies, or why Nigerian movies can be like this or why can't Nigerian movies be like that"</i>
18	Producer-cinema distributor collaboration	This focuses on highlighting the linkages that producers of film projects have with the distributors who distribute the producers' film projects to cinemas. This linkage is done towards the producers having an idea of whether they were able to attain the image-quality requirement that would be needed if their film projects were blown up on a cinema screen. As a result, the cinema distributors act as innovation gatekeepers who determine whether a film project is of sufficient high image-quality.	<i>"Apart from giving my film to blue pictures to distribute, I still had to consult with them to enable me ascertain what the minimum level of quality was accepted by them"</i>
19	Producer-international actor (cinematographer) collaboration	This focuses on highlighting the linkages that producers of film projects have with the international cinematographers. This linkage is argued to occur towards ensuring the provision of a good and clear image for the	<i>"We got in touch with a polish lady that ehh 'Aga'. So we had a meeting with her and we told her what we were planning to do and if she was willing to come with us to Nigeria"</i>

		film project.	
20	Rationale behind use of international actor by producer (cinematographer)	This highlights the argument that the producer sought to use an international cinematographer because he/she did not believe that the cinematographers in Nigeria had the requisite skill-set needed to work with a high-resolution camera towards shooting good quality images.	<i>"I will have to bring the crew from abroad because the people who still claim that they can shoot digital here, they really don't understand the format here, it's just the basic they know, so I said I was going to bring the crew from abroad"</i>
21	Producer-international actor (post-production) collaboration	This focuses on highlighting the linkages that producers of film projects have with international post-production managers. This linkage is argued to occur towards ensuring that the editing and addition of special effects are done to a very high quality after the images have been shot.	<i>"Yeah post-production was done in Andrew's studio. He edited it and I supervised it"</i>
22	Rationale behind use of international actor (post-production) by producer	This highlights the argument that the producer sought to use an international post-production manager because he/she did not believe that the post-production managers in Nigeria were skilled enough to execute the post-production at the highest level.	<i>"I travelled from place to place to reduce costs because here we don't have processing in Nigeria so I had to go to Dubai, to do my transfers to positive to print, I had to go to Bulgaria and I think they took some of it to Romania because it was the same Kodak"</i>
23	Producer-international actor (equipment provider) collaboration	This focuses on highlighting the linkages that producers of film projects have with international equipment	<i>"The equipment they used 35array was brought from camera house in LA"</i>

		providers. This linkage is argued to occur towards the producer ensuring that they have access to the best available equipment needed to produce their film projects.	
24	Rationale behind use of international actor (equipment provider) by producer	This highlights the argument that the producer sought to access equipment from an international equipment provider because he/she did not believe that some equipment could be gotten in Nigeria. Example is the 35mm camera which is difficult to get in Nigeria because most producers do not use it. As a result of this absence, some producers who intended to use it had to go outside the country to access it.	<i>"I had to go outside to buy the prints because it was impossible to find one person or company in Nigeria that sold the prints. Accessing it in Nigeria would have been quite difficult as I would have to consider using different prints for one camera. I wasn't sure they might work that way"</i>
25	Producer- NCC collaboration	This focuses on highlighting the linkages that producers of film projects have with the Nigerian copyright commission. This linkage is argued to occur towards the producer ensuring there is a level of protection for his film project from infringement.	<i>"I registered for copyright for both the script and the movie. The Nigerian copyright commission asked for the script and I had to register that"</i>
26	Producer- International actor (focus puller) collaboration	This focuses on highlighting the linkages that producers of film projects have with international focus pullers. This linkage is	<i>"So Aga introduced to her husband who is a sound man and a focus puller to go with us to handle that bit"</i>

		argued to occur towards the producer ensuring that their images when shot could have its focus pulled towards improving their clarity.	
27	Rationale behind use of international actor (focus puller) by producer	This highlights the argument that the producer sought to collaborate with an international focus puller because he/she did not believe that focus pulling was something that had been done in Nigeria.	<i>"We made our enquiries in Nigeria and we couldn't get someone who was an expert in it"</i>
28	Producer-actor (script writer) collaboration	This focuses on highlighting the linkages that producers of film projects have with script writers from Nigeria. This linkage is argued to occur towards ensuring the creation of a new script that espouses content which is vastly different from what already exists in the Nigerian film industry.	<i>"There were a lot of people that wrote the script because scripts go through drafts. The first draft was written by David, I just gave him the idea. My friend and my wife, we perused it and made corrections or changes were we wanted and then after the 6th draft that was where we had the final piece"</i>
29	Producer-actor (special effects) collaboration	This focuses on highlighting the linkages that producers of film projects have with special effects managers from Nigeria. This linkage is argued to occur towards ensuring the addition of special effects to a film project that had been shot on high quality values. This special effects addition is argued to improve the believability and overall output of the film	<i>"We edited it ourselves and a friend of mine his name is ted he did the special effects"</i>

		project.	
30	Producer-actor (cinematographer) collaboration	This focuses on highlighting the linkages that producers of film projects have with cinematographers from Nigeria. This linkage is argued to occur towards ensuring that the image quality of the film project is similar to what is seen in American film projects.	<i>"I had a cinematographer whose name is Buhari Lekan. He is actually a movie video director but he helped me with the cinematography"</i>
31	Producer-actor (equipment provider) collaboration	This focuses on highlighting the linkages that producers of film projects have with equipment providers from Nigeria. This linkage is argued to occur towards ensuring that the producer has access to using equipment such as high-resolution camera and special effect software that will be used in producing a film project with high image-quality output.	<i>"We were able to get a camera to use in Nigeria from Kingsley Ogoro"</i>
32	Producer-actor (family member) collaboration	This focuses on highlighting the linkages that producers of film projects have with their family members. This linkage is argued to occur towards the producer gaining access to finance to produce his/her film project.	<i>"I mean it was just personal funding. I mean my dad and myself"</i>
33	Use of kinship in collaboration with family members (towards accessing finance)	This focused on highlighting that the producer made use of ties with his/her family members to access finance needed for	<i>"A few of my friends supported me, I took no loans from anywhere. My church gave me some money because of the nature"</i>

		his/her project.	<i>of the story but it was still like family supporting you”</i>
34	Rationale behind use of kinship in accessing finance	This focused on identifying reasons why the producer had to use kinship with family members to access finance. Examples such as the inability to access finance from banks and external investors fall within this description.	<i>“So in that case you are left with people who will give you this money without first of all the conditions and also the interests. That is why most people go to family members”</i>
35	Use of contract law enforcement in the USA (collaboration with international actor- equipment supplier)	This focused on highlighting that the producer selected to travel to the United States to reach his/her agreement with the American equipment supplier involved in the production of the producer’s film project.	<i>“I had already signed the contract with the camera house in the Los Angeles and had sent it to my lawyer to go through to be sure”</i>
36	Use of contract law enforcement in the USA (collaboration with international actor- cinematographer)	This focused on highlighting that the producer selected to travel to the United States to reach his/her agreement with the American cinematographer involved in the production of the producer’s film project.	<i>“Obviously as it was the first time that we were working with the cinematographer, it was necessary that we have the contract signed in the USA with his lawyer present”</i>
37	Use of contract law enforcement in the USA (collaboration with international actor- special effects manager)	This focused on highlighting that the producer selected to travel to the United States to reach his/her agreement with the American special effects manager involved in the production of the producer’s film project.	<i>“Well the post-production manager we used actually works together with the cinematographer. They have a company together. So, for the contractual structure we had with her, it was almost similar. I got my lawyer in the states to make sure everything was signed</i>

			<i>over there. I just sent my lawyer the document and he made sure that everything was sorted out"</i>
38	Rationale behind the use of contract law enforcement in the USA	This focused on identifying reasons why the producer had to travel to the United States when attempting to collaborate with the international actors involved in the production of their film project.	<i>"We thought the USA would be good as the cinematographer could be assured that we weren't going to breach the contract there due to the effectiveness of their legal and court system there"</i>
39	Use of contract law enforcement in the UK (collaboration with international cinematographer)	This focused on highlighting that the producer selected to travel to the United Kingdom to reach his/her agreement with the British cinematographer involved in the production of the producer's film project.	<i>"It was drawn in the UK. We had that before we started the filming and photography"</i>
40	Use of contract law enforcement in the UK (collaboration with international focus puller)	This highlights the producer's decision to travel to the United Kingdom to reach his/her agreement with the British focus puller involved in the production of the producer's film project.	<i>"It was drawn in the UK. We had that before we started the filming and photography"</i>
41	Use of contract law enforcement in the UK (collaboration with international post-production specialist)	This highlights the producer's decision to travel to the United Kingdom to reach his/her agreement with the British post-production specialist involved in the production of the producer's film project.	<i>"It was drawn in the UK. We had that before we started the filming and photography"</i>

42	Rationale behind the use of contract law enforcement in the UK	This focused on identifying reasons why the producers had to travel to the United Kingdom when attempting to collaborate with the international actors involved in the production of their film project.	<i>"Of course yes. There is a contract we use that is the basic standard contract used in the industry internationally"</i>
43	Use of friendship in collaboration with Nigerian actor (cinematographer)	This highlights the producer's decision to use a Nigerian cinematographer he/she has a close relationship with towards ensuring the shooting of his/her film project.	<i>"We did not sign any contract, he was already a friend so he did not see any need not to trust me. I think contracts are used with people who you do not know"</i>
44	Use of friendship in collaboration with Nigerian actor (equipment provider)	This highlights the producer's decision to use a Nigerian equipment provider he/she has a close relationship with towards ensuring that he/she had access to equipment needed to produce his/her film project.	<i>"Yeah. There was no agreement if you know the way we work in Nigeria. You pay your money. Its cash and carry"</i>
45	Use of friendship in collaboration with Nigerian actor (special effects manager)	This highlights the producer's decision to use a Nigerian special effects manager he/she has a close relationship with towards ensuring the addition of special effects to the images of the film project.	<i>"He was passionate about the project also because he was a friend and umm, it was the first time that he was going to do special effects on a film. So, we were just both passionate about the work and of course we knew where we were coming from"</i>
46	Rationale behind the use of friendship	This focuses on identifying reasons why the producers sought out linkages with actors	<i>"You are putting that act on people that have lived on oral tradition for so many</i>

		that they had close relationships with.	<i>centuries and you don't recognize that they are not there. Even the Nigerian customary law makes some forms of non-written agreements, so how do you implement that act in a setting where oral agreements are more predominant"</i>
47	Perception of copyright law in Nigeria	This describes what and how the producers perceive the copyright law and the enforcement of the copyright law in Nigeria.	<i>"The laws are quite adequate but the challenge we have is the implementation. The machinery to implement, to apprehend as well as prosecution"</i>
48	Reason behind perception of copyright law enforcement in Nigeria	This focuses on identifying the reasons why producers perceive the copyright law or the enforcement of the copyright law to be the way it is in Nigeria.	<i>"So the piracy level in the country is such that the agency needs more support in terms of funding and other resources that it could you. There is need for more funding to monitor pirated works in Nigeria"</i>
49	Perception of regulation of banks in Nigeria	This describes what and how the producers perceive the regulations of banks towards gaining access to external finance to produce their film projects.	<i>"In my own opinion, the bank laws are not tuned to helping people from the film industry. For the kind of money I need, how do you expect me to provide the collateral stated? There should be more accessible measures for the film industry or small scale entrepreneurs"</i>
50	Rationale behind the perception of the regulation of banks in Nigeria	This focuses on identifying the reason why producers perceive the regulations of banks	<i>"So the banking laws in Nigeria are such that you must have physical collateral not</i>

		to be the way they are towards gaining access to external finance to produce their film projects	<i>non-tangible ones before you can do business with them. You must have land or a house, you must have money in the bank something tangible. Physical collateral is what you need till date to access any sort of finance from the bank in Nigeria”</i>
51	Education-based experience	This describes the experience the producer got from his/her time at the University or training institute studying a course in film production/directing	<i>“I hold a bachelor of arts degree in drama arts with a specialization in film and TV production from the university of Ife. So, I actually went to film school and as such I am a trained film-maker”</i>
52	Knowledge gotten as a result of education-based experience	This focuses on describing the knowledge that the producer got as a result of his/her training from the university or training institute.	<i>“What film school does for you is that it allows you to understand the reasons behind things you do. When you understand these reasons, you appreciate certain activities better. I was able to appreciate the need to produce a high quality film as a result of my own time”</i>
53	Financing experience (external investors)	This describes the experience the producer got due to his/her interaction with the external investors in Nigeria.	<i>“When the script was finished I went round to festivals to try and source for fund, I was in the uk and I did a pitch at a forum organized by the censors’ board. I got no support”</i>

54	Financing experience (banks)	This describes the experience the producer got due to his/her interaction with the banks in Nigeria.	<i>"I tried to access funds from the banks, but with their conditions, it was practically impossible"</i>
55	Knowledge gotten as a result of financing experience	This focuses on describing the knowledge that the producer got as a result of his/her interaction with either banks or external investors.	<i>"It was basically they were still seeing our industry as a low budget industry were they would not get maximum returns on their investments"</i>
56	Experience of new market conditions in Nigerian film industry	This describes the experience the producer got due to his/her exposure to the Nigerian film industry after cinemas had started exhibiting film projects produced by Nigerian producers.	<i>"Well we had begun to see that other producers who produced for cinemas had been able to make money. It was not yet a profit, but nevertheless, the amounts their films were grossing was unheard of in Nigeria"</i>
57	Knowledge gotten as a result of the experience of the new market conditions in the Nigerian film industry	This focuses on describing the knowledge that the producer got as a result of his/her exposure to the Nigerian film environment after cinemas began to accept Nigerian film projects for exhibition	<i>"We looked inwards and also realised that we could also make that kind of money if we had a cinema film"</i>
58	Experience regarding the effectiveness of courts in Nigeria	This describes the experience the producer got as a result of his/her exposure to the Nigerian environment regarding both the time taken for court cases to be dealt with and also issues of bribery.	<i>"Well everybody knows this. You read it in news, hear of people who go through it. You basically realise that in the Nigeria that we are, there is a strong possibility of not having the courts serve you the way you want. I took the pirate to the court. The case took almost 9months"</i>

59	Knowledge gotten as a result of the experience regarding the effectiveness of courts in Nigeria	This focuses on describing what the producer believed was going to be the outcome in any scenario related to dealing with the courts in Nigeria.	<i>"I don't even bother again with trying to go to court. It is a waste of time. You know you will not get any compensation. So, why bother in the first place?"</i>
60	Experience gotten as a result of migration to the UK	This describes the experience the producer got as a result of his/her long exposure to the production practices in the UK	<i>"From my time in the UK, I started to learn how to produce films of good quality. I started from the bottom as a cameraman. This quality was totally different from what I was used to in Nigeria"</i>
61	Knowledge gotten as a result of experience gotten from migration to the UK	This focuses on describing what the producer believed was to be the baseline production standard needed when producing a film project.	<i>"By the time I want to produce my own film, I knew that the minimum standard was to do it on an international quality. I wanted it to air in the UK too. Nobody will watch it if it is of that naija level"</i>
62	Experience gotten as a result of migration from the US	This describes the experience the producer got as a result of her/her long exposure to the production practices in the United States.	<i>"Going to the cinemas in the United States made me appreciate these good quality films from a small age. That was the only quality I really knew of. It was when I came back that I knew that films could be produced at a lower quality"</i>
63	Knowledge gotten as a result of experience gotten from migration from the US	This focuses on describing what the producer believed was to be the baseline production standard needed when producing	<i>"My mind was laser focused on the type of quality I wanted to see. I didn't have the skills, but I knew what I wanted in the</i>

		a film project.	output”
64	Work Experience	This describes the experience the producer got as a result of his/her working over a period of time in the Nigerian film industry	<i>“I ventured into film making in 1986 after the trouble of getting into the university and someone just told me that oh I know that you love the arts and I have a friend who is making a movie. Why don’t you see him and see if you can do one or two things and that was the beginning of my sojourn in film-making”</i>
65	Knowledge gotten as a result of work experience	This focuses on describing what the producer believed was the way the Nigerian film industry operated.	<i>“After a certain number of years, you begin to realise that it will be almost impossible to generate any profit. The activities of the video marketers will not make that possible”</i>
66	Situation regarding efficiency of courts in Nigeria	This describes the notion of the long duration associated with getting injunctions or passing judgements from courts in Nigeria. In addition to this, it also describes the notion of legal practitioners being corrupt as the state of affairs in the Nigerian environment.	<i>“The judicial system here also is slow, the sluggishness in reaching conclusions with the time spent in prosecuting pirates is a major issue and that encourages the producer or right owner to even go for that once in a while out of court settlements with the pirates. I’m just giving you an overview of the situation on ground”</i>
67	Situation regarding distribution in the Nigerian film	This describes the notion of the distribution in the Nigerian film	<i>“In other climes you get a letter of guarantee from your</i>

	industry	industry being an opaque activity where most of the actors involved do not register their companies and as a result operate informal organisations.	<i>distributor on the project you want to do, you can smile to the bank. Here we are yet to have distribution, the distribution network, I am just speaking randomly you can pick what you want, the distribution system here is still based on the simple buying and selling. The way you sell Coca-Cola or trading. You bring your goods and I give you money. It's not the established system that you have in other climes"</i>
68	Situation regarding access to statistics in the Nigerian film industry	This describes the notion of the public lack of access to revenue figures from film projects that are distributed by video marketers in the Nigerian film industry.	<i>"You get what I am saying, a situation where someone sells your product for you and it's what he tells you that you believe, non-verifiable data. People don't have portals and you say once a product is sold you go on a portal and see it. No. It's still the simple ledger system. It can be altered"</i>
69	Situation regarding the predominant way of doing business (or reaching agreements) in the Nigerian film industry	This describes the notion regarding the preference of norms (which emphasize using friendship or ethnicity) by actors in the Nigerian film industry as compared to the use of contracts.	<i>"But we didn't have any contract with the crew because we know ourselves. You know one of these things now. That is how we do business in Nigeria"</i>
70	Role of cinema distributors	This highlights what activities the cinema	<i>"The serious minded producers know that if</i>

		distributors perform towards ensuring that the producers create a film project that is high in image-quality	<i>they produce a wishy washy production they won't get distribution. They won't get distributorship. So, the distributors and the parameters in which they use to judge the movies that they take is what control the industry here"</i>
71	Activities performed by producer		<i>"One of the things I did with tango with me was to bring in a lot of people to learn because when you are shooting on film, you must know your onions, you can't do guess work or else your stock will be finished and you have not done half of the scenes that you are supposed to do so mentorship is critical in this industry"</i>